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The Commercial and FINANCIAL CHRONICLE

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SEC Issues Interpretation Of New Rules Relating To Proxies

The Securities and Exchange Commission made public last week excerpts from letters of Baldwin B. Bane, Director of the Corporation Finance Division, to officers of corporations who had asked for interpretation of certain provisions of the amended rules in Regulation X-14 relating to the solicitation of proxies.

The first excerpt refers to paragraph (H) of item 5 of Schedule 14A which reads as follows:

"Describe briefly any interest, direct or indirect, of each person who has acted as a director of the issuer during the past year and each person nominated for election as a director and any associates of such director or nominee in any transaction during the past year or in any proposed transaction to which the issuer or any subsidiary was or is to be a party. No reference need be made to immaterial and insignificant transactions. If the interest was or is to be in the purchase or sale, other than in the ordinary course of business, of property by the issuer or a subsidiary, include a statement of the cost of the property to the issuer or subsidiary and a statement of the cost to the purchaser or vendor."

The definition of the term "associate" in Rule X-14A-9, which is referred to in the Director's letter, reads as follows:

"The term 'associate,' used to indicate a relationship with any persons, means (1) any corporation or organization (other than the issuer or a majority-owned subsidiary of the issuer) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person having the same home as such person."

The Director's comment on this item follows:

"In general, the following principles should be observed in preparing the information called for by paragraph (H) of item 5.

"The word 'interest' means a material interest. In determining the materiality of a person's interest, the scope of the definition of the word 'associate' in Rule X-14A-9 may be considered as indicating the type of interest in respect of which information should be furnished. For example, the fact that a director of the issuer is also a director of another company is not enough of itself to establish the materiality of his interest in transactions between the two companies. On the other hand, if the director of the issuer were an officer or holder of 10% or more of the stock of the other company, his interest in transactions between the two companies should be disclosed unless the transactions were immaterial and insignificant.

"Your letter sets out a list of transactions between your company and other companies or

(Continued on page 744)

Large Volume Of Savings Presents Definite Threat Of Inflation Declares SEC Report

The Securities and Exchange Commission made public on Feb. 24 its quarterly analysis of the volume and composition of saving by individuals in the United States covering the fourth quarter of 1942.* This survey shows that the public continued to hold an extremely large part of its increased income in cash on hand and in checking accounts.

The more important results of the analysis said the Commission may be summarized as follows:

"1. People in this country saved more in the fourth quarter of 1942 than ever before. The data indicate that the ratio of liquid saving (i.e., saving exclusive of purchases of durable goods) to income after taxes remained at the same high point reached in the third quarter of the year though a seasonal decline might normally have been expected.

"2. The great volume of saving in this quarter, however, was due in large part to the very substantial increase in peoples' cash holdings and deposits in checking accounts, amounting to $4,600,000,000, almost $1,000,000,000 higher than in the preceding quarter.† Saving in this form again constituted the largest component of individuals' saving. The ratio of saving in currency and demand deposits to income (after taxes) reached the highest point on record. Thus data for the fourth quarter indicate a continuation of the propensity of individuals in recent months to put increasingly greater proportions of their income into currency and demand deposits.

"3. Individuals purchased $3,300,000,000 of U. S. Government bonds (including $2,300,000,000 of War Savings Bonds) in the fourth quarter, an increase of $500,000,000 over the third quarter.

"4. Debts of individuals other than mortgages were again reduced considerably, but such repayment was much smaller than in prior quarters."

Further details were given by the SEC as follows:

"Individuals' liquid saving was $10,100,000,000 in the fourth quarter, compared with $9,100,000,000 in the third quarter. For the four quarters of 1942, liquid saving totalled $28,900,000,000, an all-time high. The increase in liquid saving during the fourth quarter reflects the higher level of income in the hands of individuals after payment of taxes. As in other recent quarters, the volume of liquid saving is substantially higher than might be expected on the basis of the past relationships between such saving and income alone. This seems to be due in part, as in prior quarters, to rationing and growing scarcities of consumers' goods and to restrictions on the granting of credit for the purchase of such goods.

"The most significant feature of the pattern of saving during the fourth quarter of 1942 was the unprecedented growth in individuals' currency and demand deposits. Individuals added about $1,500,000,000 to their cash on hand and $3,100,000,000 to their checking accounts, contrasted with $1,100,000,000 and $2,500,000,000, respectively, in the third quarter. For the year as a whole, saving in these two forms totalled $10,500,000,000. The rate of accumulation of such funds during the last half of the year seemed to be considerably greater than could be explained on the basis of the relationship of past accumulations to income (after taxes). Part of this growth in currency and demand deposits undoubtedly represents provision for future payment of currently accruing taxes.‡ An-

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*In this analysis individuals' saving includes unincorporated business' saving.

†These figures include the cash and deposits of unincorporated business as well as of consumers. Probably the two most important groups included in unincorporated business are agriculture and trade. It should be noted that part of the above increase in cash and deposits reflects a liquidation of inventories of unincorporated trade (net of retirement of notes payable). However, although the amount of this increase is not known, it is believed to have been substantially less than $500,000,000 in the fourth quarter, when it was at its highest for the period covered.

‡Cash accumulations in 1943 will be more than sufficient to take care of tax payments. Even after payment of taxes it is believed that in the absence of new developments individuals' saving in cash on hand and in banks for 1943 will be much larger than in 1942.

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Hodson Co. Celebrates Fiftieth Anniversary; Affirms Faith In Maintenance Of Profit System

Affirming faith in the maintenance of the "Profit System" in our way of life and in the inevitable recovery and future of investment banking, Hodson & Company, Inc., are celebrating the 50th anniversary of their business, founded in 1893 by the late Colonel Hodson who had the vision to foresee the great expansion of the Financial Field and its possibilities for stable and profitable investment. The Hodson organization became important in the development of the Financial Field, beginning a long specialization that continues to this day. For the first twenty years Hodson was associated in the organizing, establishing and financing of more than 50 national banks, State banks and trust companies.

Charles H. Dowd

In 1914 activities were directed to the personal finance business with the organization of one of the pioneer enterprises in that field. Many sizable and successful corporations in finance and allied fields have been supplied capital through Hodson since that time. These include Beneficial Loan Society, Collateral Bankers, Inc., Beneficial Industrial Loan Corporation, Bankers National Life Insurance Company, Bankers National Investing Corporation, Empire Capital Corporation and American Business Credit Corporation.

Charles H. Dowd, President, points out that the House of Hodson is unique in that it has maintained a three-fold policy of First: Concentrating in the field of "Money Companies" in which it has accumulated a vast fund of practical and extremely valuable knowledge; Second: Rewarding investors adequately; Third: Distributing through a specialized organization of independent dealers who are intimately acquainted with Hodson securities.

The soundness of this policy is proven by the record of the Hodson financed companies enumerated, which have distributed in interest, dividends and profit-sharing more than $70,000,000 during the last 30 years through good times and bad. Nearly all made uninterrupted quarterly payments through the recent depression.

Mr. Dowd also emphasized that the success of the House of Hodson in distributing securities aggregating many millions of dollars had been mainly attributable to the loyalty of a large "family" of dealers, a number of whom have sold Hodson securities for more than twenty years and many others for more than ten years. Hodson dealers, he said, were not the large houses throughout the country but dealers in smaller cities and towns, who enjoy the full confidence and respect of their fellow citizens. The House of Hodson continues in the financial field, Mr. Dowd explained, because their extensive experience demonstrates there are less serious problems in that field than in any other, and good management has shown earnings even during uncertain times.

Strong Position For Home Mutual Deposit Loan Co. of San Fran.

Home Mutual Deposit-Loan Co. of San Francisco reflected in its 114th semi-annual financial statement, as of Dec. 31, 1942, "the strongest, most favorable position in the company's 57-year history," according to Milo R. Robbins, President.

Despite war conditions, the statement revealed, substantial gains were made over the previous year in total assets; cash and Government securities; reserves and surplus, and savers' and investors' accounts.

Since its founding in 1885, and through three previous wars and five major depressions, as well as the San Francisco holocaust of 1906, Home Mutual, its President reports, has unfailingly maintained an interest rate of at least 3% per annum on savings and investment funds.

Stromberg-Carlson And Federal Screw Attractive

The current situation in Stromberg-Carlson and Federal Screw Works offers attractive possibilities, according to memoranda issued by Herzog & Co., 170 Broadway, New York City, from whom copies may be obtained upon request.

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Chester de Willers Forming Own Company

Chester E. de Willers has resigned as Vice-President of Schoonover, de Willers & Co., and will shortly engage in a general securities business as C. E. de Willers & Co. Offices of the new firm will be located at 120 Broadway, N. Y. City. Before forming Schoonover, de Willers & Co., Mr. de Willers for many years associated with Charles King & Co., specializing in industrial bonds and stocks and reorganization securities.

Chester E. deWillers

Mr. de Willers has been very active in the Security Traders Association of New York since its inception and in the National Security Traders Association, and has served as an officer of both associations.

L. B. Henry Opens Investment Firm

DALLAS, TEXAS — Louis B. Henry has opened offices in the Kirby Building under the firm name of Louis B. Henry, Investments, to act as dealer in municipal securities specializing in Texas municipal bonds and warrants. Associated with Mr. Henry in charge of the buying department will be Hugh Bass.

Mr. Henry was formerly Vice-President and Manager of the sales department of Moss, Moore & Cecil, Inc., which will be inactive for the duration of the war. Mr. Bass was formerly Manager of the sales and trading departments of the local office of The Dunne-Israel Investment Co.

Service Stars Added

The following are members of the San Francisco Bond Traders Association who are now serving in the armed forces. The San Francisco Association is an affiliate of the National Security Traders Association:

Lt. (SG) Hodge Davidson, U. S. N. Treasure Island, Calif., (formerly of Schwabacher & Co.); Capt. Arthur Dolan, Jr., U. S. A., HQ 9th Corps, Fort Douglas, Salt Lake City, Utah (formerly of F. M. Brown & Co.); 2nd Lieut. John Egan, U. S. A., 82nd Fighter Group, APO No. 525 New York (formerly of Dean Witter & Co.); Lt. (JG) Chester Glass, Jr., U. S. N., Fort Lauderdale, Fla. (formerly of Bankamerica Co.); Maj. Donald Graham, Jr., U. S. A., Command-General School, Ft. Leavenworth, Kan. (formerly of First of Boston Corp.); 1st Lt. Gareth Kellam, A. A. F. A. F. S., La Junta, Colo. (formerly of Weeden & Co.); 2nd Lt. Thomas Petersen, Jr., U. S. A., 501st S. A. W. R., Drew Field, Tampa, Fla. (formerly of Davis, Skaggs & Co.).

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Twin Cities Traders Annual Dinner Today

MINNEAPOLIS, MINN. — Twin Cities Bond Traders Club is holding its annual mid-winter dinner today (Feb. 25) from 4:00 p.m. on at the Dyckman Hotel in Minneapolis.

Through an error it was indicated in our issue of Feb. 18 that the Traders' dinner would be held last Thursday.

Members of the Entertainment Committee are: J. E. Masek, Chas. E. Fuller Co., Minneapolis, Chairman; C. J. Rieger, Jamieson & Co., Minneapolis, and Paul Matsche, Paine, Webber, Jackson & Curtis, St. Paul.

Missouri-Kansas-Texas Rail Issues Look Good

McLaughlin, Baird & Reuss, 1 Wall Street, New York City, members of the New York Stock Exchange, have just issued a most interesting circular on Missouri, Kansas & Texas RR. Co. discussing the background of the road, present situation and outlook for the future. Issues of this carrier offer interesting possibilities, according to the circular, particularly the first 4s of 1990, and as an attractive speculation the prior lien 4s and 5s due 1962 and 4½s due 1978. Copies of the circular, discussing the situation in detail, may be had from McLaughlin, Baird & Reuss upon request.

Fla. Situation Looks Good

The outlook for Florida is most optimistic both now and in the post-war period, according to an interesting circular prepared by William T. Brown, manager of the Southern Municipal Department of Allen & Co., 30 Broad Street, New York City. Copies of this circular may be had upon request from Allen & Co.

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DEALER BRIEFS

Chicago, Ill.

We believe that we are in a year and a half to two-year bull market for utility issues, with particular interest in preferred stocks of holding companies.

The situation appears to be comparable to that existing in the railroad defaulted bond group in 1938-39.—*John J. O'Brien, John J. O'Brien & Co.*

New York City

The stigma on rail securities has been due to defaults and adjustments on the large general open mortgages and junior liens. The small underlying issues have fared rather well. This is the type of rail security advocated by us for investors apprehensive about post-war outlook for railroads.—*B. W. Pizzini, B. W. Pizzini & Co.*

Frank A. Cahn With Fred W. Fairman Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—Frank A. Cahn has become associated with Fred W. Fairman & Co., 208 South La Salle Street, members of the Chicago Stock Exchange. Mr. Cahn was formerly for many years with Larson, Honohan & Co. In the past he was a partner in Benthin, Larson & Cahn and was active as an individual dealer.

Chicago North Western Securities Look Good

Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange, have just issued a circular on Chicago North Western, both the new "when issued" and the old securities of which the firm considers offer particularly attractive possibilities. Copies of this interesting circular may be had from Pflugfelder, Bampton & Rust upon request.

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Also associated with the firm in their bank division is T. F. Wentworth.

Plan Hearings On Bill To Kill SEC Proxy Rules

The House Interstate and Foreign Commerce Committee, headed by Representative Lea (Dem., Cal.), was reported on Feb. 22 to have appointed a sub-committee to hold hearings on proxy regulations promulgated by the Securities and Exchange Commission.

Proposed legislation which would kill the new SEC proxy rules has been introduced by Representative Wolverton (Rep., N. J.). Mr. Wolverton's bill provides that the SEC shall operate under its regulations which were in effect on Nov. 1, 1942. In effect, this would abolish all subsequent regulations, including the proxy rule revisions.

Lyle Boren To Speak At Bond Club Meeting

The principal speaker at the luncheon meeting of the Municipal Bond Club of New York on Feb. 26 will be Representative Lyle H. Boren of Oklahoma. Representative Boren recently introduced a bill in Congress to remove from the jurisdiction of the Securities and Exchange Commission State and municipal bonds

The meeting will be held at the Bankers Club, New York City.

For War Deflation or Peace

Capital stock of the Auto-Ordnance Corporation offers interesting possibilities in war, inflation, and peace, according to a circular issued by J. Arthur Warner & Co., 120 Broadway, New York City. Auto-Ordnance is engaged in the production and sale of firearms, oil, and food and owns the patent rights to and manufactures the famous "tommy-gun." Copies of the circular may be had upon request from J. Arthur Warner & Co. — ask for description "C."

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NYSE Seeks Nominees For Annual Election

The Nominating Committee of the New York Stock Exchange will hold an open meeting on Tuesday (March 2) for the purpose of receiving suggestions for the positions to be filled at the annual election to be held in May.

All members and their partners are invited to attend this meeting to suggest nominees and those unable to attend may make their suggestions by letter. Similar meetings will be held by the Nominating Committee on each Tuesday and Wednesday during March.

In its announcement the Exchange states vacancies will occur in and nominations are to be made for the following positions:

Board of Governors—

For the Term of One Year: A Chairman of the Board of Governors who shall be a member of the Exchange. Robert L. Stott, incumbent.

For the Term of Three Years: Three Governors who shall be members of the Exchange residing and having their principal places of business within the metropolitan area of the City of New York. Robert Cluett, 3rd, E. Burd Grubb, Ernest L. Jones, Sylvester P. Larkin and Sidney Rheinstein, incumbents.

Two Governors who shall be allied members or non-members residing and having their principal places of business within the metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public. Radcliffe Swinnerton and John C. Maxwell, incumbents.

Two Governors who shall be members or allied members or non-members of the Exchange residing and having their principal places of business outside of the metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public, of whom not less than one shall be a member of the Exchange. Edgar Scott and H. Prenatt Green, incumbents.

For the Term of One Year: One Governor, to fill a vacancy, who shall be a member of the Exchange residing and having his principal place of business within the metropolitan area of the City of New York. Henry Picoli, incumbent.

Trustees of the Gratuity Fund—

For the Term of Three Years: Two trustees who are members of the Exchange. H. Gates Lloyd and William D. Scholle, incumbents.

Nominating Committee—

For the Term of One Year: Five members of the Nominating Committee, three of whom shall be members and two of whom shall be allied members of the Exchange.

More Buying Power

Although wars are destroyers of values, decreasing the buying power of the dollar, it is possible to increase the number of dollars so that buying power will be as large or larger than before, Grande & Co., Inc., Hoge Building, Seattle, Wash., declares in an interesting circular listing 11 situations which they consider particularly attractive at the present time. Copies of the circular may be had from Grande & Co. upon request.

British Columbia Offers Interesting Features

An interesting descriptive circular on the Province of British Columbia has just been issued by Wood, Gundy & Co., Inc., 14 Wall St., New York City, copies of which may be had from the firm upon request.

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N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange announced the following weekly firm changes:

Proposed transfer of the Exchange membership of the late Henry R. Ickelheimer to Saul J. Shepard will be considered by the Exchange on March 4. It is understood that Mr. Shepard will act as an individual floor broker.

Proposed transfer of the Exchange membership of the late Ogden M. Edwards, Jr., to Albert B. Tompane, partner in Benton & Nicholas, New York City, will be considered on March 4th.

The main office of J. W. Sparks & Co. will be 50 Broadway, New York City, hereafter. The office at 1510 Chestnut Street, Philadelphia, Pa., will be a branch office in charge of resident partners.

Jones & Co., New York City, was dissolved effective Jan. 12, 1943.

Public Service of Ind. Stocks
Seattle Gas & Elect. Stocks
Howard Aircraft common
Chgo. N. S. & Milw. Ry. all issues
Standard Gas & Elec. 6's all issues
Old Ben Coal 6/48 w. s.
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Old Ben Coal Corp.
1st 6s, 1948
Income Debenture 7½s, 1953
Common Stock
Bought — Sold — Quoted
SCHERCK, RICHTER COMPANY
Landreth Building
St. Louis, Mo.
Bell Teletype SL 456
Garfield 0225 L. D. 123

Old Ben Coal Clears All Arrears On 1st 6s

Directors of Old Ben Coal Corporation have declared a total interest payment of $265 on each $1,000 First Mortgage 6% bond due 1948, payable March 1 to holders of record Feb. 18. Of this payment $60 covers the fixed interest for the year 1942, and $205 covers all of the accumulated back interest on the bonds.

With interest arrears eliminated on the First Mortgage bonds, net earnings before depreciation for the year 1943 will be applied as follows: Fixed interest at 6% with the remainder divided 50% to sinking fund on the First Mortgage bonds up to a maximum of $500,000 cash, and the remaining 50% to interest on the Debenture 7½s due 1953. Accumulated back interest on the Debenture 7½s amounted to 52½% as of January 2, 1943. The payment of back interest on the 6s also removes restrictions against the company's purchase of debentures.

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Elizabeth McAuliffe** has become associated with **Shearson, Hammill & Co.,** 208 South La Salle Street. Miss McAuliffe was formerly with Shields & Co.

(Special to The Financial Chronicle)

CINCINNATI, OHIO — **M. Alfred Mack** and **Norma Probst** have joined the staff of **Westheimer & Co.,** 326 Walnut Street. Miss Probst was formerly with Merrill Lynch, Pierce, Fenner & Beane, Granberry & Co., Thomson & McKinnon and W. E. Hutton & Co. Mr. Mack was previously with A. E. Aub & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **Robert B. Keeler** is now with **Hornblower & Weeks,** Union Commerce Building. Mr. Keeler was formerly with Otis & Co. for a number of years, was with the Guaranty Company of New York and in the past was President of R. B. Keeler & Co.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND. — **William G. Masters** has become associated with **Henry K. Dalzell,** 106 East Market Street. Mr. Masters was previously with Thomson & McKinnon and was an officer of M. P. Crist & Co., Inc.

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—**Ansley L. Oltman** has been added to the staff of **Halbert, Hargrove & Co.,** First National Bank Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**William C. Gregg** has rejoined the staff of **E. F. Hutton & Company,** 623 South Spring Street. Mr. Gregg recently was in charge of the Statistical Department of the local office of Post & Flagg.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Myrton M. Purkiss** is now with **H. R. Baker & Co.,** Bank of America Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Frank R. Hines, Jr.,** previously with E. A. Pierce & Co., and **Douglas E. C. Moore** have become affiliated with **Pacific Company of California,** 623 South Hope Street.

(Special to The Financial Chronicle)

NEW HAVEN, CONN.—**Philip Susman,** previously with Eisele & King, Libaire, Stout & Co., has become associated with **J. S. Bache & Co.,** 175 Church Street.

Underlying Rail Bonds Offer Possibilities

Underlying mortgage railroad bonds offer attractive possibilities, according to B. W. Pizzini & Co., 55 Broadway, New York City, which has just issued special memoranda on Buffalo & Susquehanna first 4s of 1963, Allegheny & Western first 4s of 1998, Morris & Essex first 3½s of 2000, and Beech Creek Ext. first 3½s of 1951, issues the firm considers particularly interesting at current levels. Copies of these memoranda may be had from B. W. Pizzini & Co. upon request.

Towne Securities Offers Interesting Situation

The 7% cumulative preferred stock of Towne Securities Corp. offers interesting possibilities at current levels, according to a circular issued by J. L. Schiffman & Co., 60 Broad Street, New York City. Copies of the circular may be had from the firm upon request.

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REAL ESTATE SECURITIES

First Mortgage Liquidation Certificates Offer Attractive Investment Possibilities

Series F-1 Issued By New York Title and Mortgage Co.

In May, 1935, three individual trustees appointed by the Supreme Court of the State of New York took over supervision of 121 properties in New York and Bronx Counties, New York, on which the New York Title and Mortgage Co. had taken first mortgages, issuing and selling to the public guaranteed participation certificates called Series F-1.

The trustees, in the declaration of trust, hold the properties for the purpose of liquidating the assets in an orderly and businesslike manner, having due regard for the condition of the real estate market, so as not to sacrifice the interests of the certificate holders but to yield to them as large a proportion of their original investment as is reasonably possible; and, pending final liquidation, to manage and collect the income from the assets and to distribute all net income and net moneys derived from the liquidation of the Trust Estate among the certificate holders in accordance with their respective interests.

When the trustees took possession, $27,574,576.37 certificates were outstanding. As of Dec. 31, 1942, the total amount of principal unpaid on certificates in the hands of the public amounted to $25,481,888.85.

The trustees had required $355,592.80 face amount of certificates which they had taken as part payment for properties sold. Since the trustees took possession the public has received a distribution of 7% on account of the principal, reducing each $1,000 certificate to a present face value of $930.

Interest payments based on the face value of the certificates have been made semi-annually on June 30 and Dec. 31. Annually, the payments have been as follows:

1935	2%
1936	4%
1937	6%
1938	5%
1939	5%
1940	5%
1941	4¾%
1942	4¼%

We are informed that only a portion of the income distributed is taxable due to the fact that depreciation taken on properties owned may be prorated to the outstanding certificates.

As of Dec. 31, 1942, the Trust Estate held 113 separate assets, diversified as follows: 66 mortgages in good standing in the total amount of $14,365,735.82; 46 properties fee-owned having a cost to the Trust of $10,755,551.63, and one property which the Trust was operating under rent assignment in the amount of $230,300. Total principal assets, exclusive of $304,294.60, totaled $25,351,587.45. Of the 113 separate assets, 70 consisted of six-story elevator apartments and 22 walk-up apartments. Six properties were sold in 1942 for $1,013,000 for $149,000 and purchase money mortgages of $864,000.

A claim allowed the trustees, in the amount of $8,359,855.33, against the guarantee of the New York Title and Mortgage Co. is expected to produce a dividend of about 10%, or approximately $836,000. About 4%, or approximately $335,000, will be made available for distribution shortly, the balance to follow from further liquidation of the assets of the guarantor.

Properties are kept in good rentable condition, all real estate taxes are paid on fee-owned properties and there were no arrears of taxes on properties on which the Trust Estate holds the first mortgage. Cash receipts in the principal account for 1942 totaled $347,662.96, cash receipts in the income account totaled $1,203,715.65.

With the pronounced improvement in real estate conditions in New York, the possibilities for more favorable liquidation naturally follows. The certificates at present levels in the 50s offer an attractive yield and appreciation as liquidations occur in an improved real estate market.

The Series F-1 certificates are an example of many attractive liquidating situations in various price ranges.

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N. Y. Analysts To Meet

The New York Society of Security Analysts, Inc., announces that at its regular Friday luncheon meeting, to be held at 56 Broad Street, New York City, Feb. 26, at 12:30 p.m., Fairman R. Dick, senior partner of Dick & Merle-Smith, will address the Railroad Group.

On Wednesday, March 3, Frank Rizing, General Manager of the Automotive Parts and Equipment Manufacturers Association, will address Industrials Group I.

Raymond N. Parker Now With F. S. Moseley Co.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND. — Raymond N. Parker has become associated with F. S. Moseley & Co., Circle Tower. Mr. Parker was previously an individual dealer in Indianapolis and prior thereto was with E. L. Kline & Co. and was an officer of Wm. F. Shumaker & Co.

Tomorrow's Markets Walter Whyte Says——

Strong current market pleasant but no longer impressive. January conditions indicative of rise now fulfilled. All stops raised.

By WALTER WHYTE

The past week has been a sober one, if not for the market then certainly for the conditions that affect it.

It's true the market has refused to give more than a cursory nod to the headlines. This may be a commentary on either the strong technical position or a reflection of the ostrich complex.

* * *

If the former is true the strength which reasserted itself late Tuesday afternoon will continue, though there will be days which will be given over to dull irregularity. If the latter applies then we are in for a major sell-off. For no head-in-the-sand philosophy can change the picture of things as they are.

* * *

Of course it is possible that with the news from the war fronts veering around so rapidly, any reaction may be short lived. A few days' weakness and it may well be all over. Unfortunately there is nothing to base the last premise on. Reactions breed reactions, and what starts out to be just one of those things theoreticians like to call "technical" can easily develop into something more serious.

* * *

The odd thing about reactions is that they seem to come just before a piece of bad news breaks into print. Up to now these "coincidences" have not bothered the market very much. But it would be foolish to expect such a condition to continue indefinitely.

* * *

Back in the days when you could be a big time trader with a hundred dollar bill, there used to be a market philosophy which, paraphrased, said that the fellow who went short made more money than the longs. If it was true in a world at peace it is more so in a world at war.

* * *

Most of us are naturally optimists. For while we try to look ahead we prefer to let each day's problems take care of themselves. Such human traits are not national. We can't say it's the American way any more than the English can say it's the British way. It's part of life to be optimistic; to look towards a millenium. Applying this to the market you will find the bull attracts a larger following than the bear.

* * *

Your trader, for example, will be more comfortable with a five point loss in a long position than with a one point loss in a short position. To partially explain this you have often heard it said that there's "no limit to how high they can go, but on the downside they can only go to nothing." It's a comforting thought but seldom a practical one. Moreover, in war time it's a naive one.

* * *

Business maneuvers in peace sometime bring handsome profits. Industrial mergers that bring bigger profits in either the form of higher market prices or larger dividends, are during peace time dependent on managerial or market ability. But even in normal times ambitious plans go awry. And during a war the chances for accidents multiply a thousand fold. No, if the gods of chance favor either side, they favor the bear today.

* * *

This, oddly enough, doesn't mean that from now on we can look forward to an unbroken decline. Present day markets don't behave that way. But it does mean that caution from now on should be written in upper case caps.

* * *

About a month or so ago in analyzing the Dow averages, then at about 118-119, I pointed out that the market was on the verge of a 10 point move. A positive push through the then much talked of resistance point of 120 would bring an additional move to about 130. If the averages broke through on the downside, before penetrating the upper level, a 10 point drop was indicated. Well, you know what happened.

* * *

The market did go up and as this is being written the averages are across 129. It is

(Continued on page 743)

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

With the reorganization stalemate brought about by the failure of the Supreme Court to hand down a decision on the cases heard last October, Western Pacific 1st Mortgage 5s, 1946 have given a rather desultory market performance in recent trading sessions, although hovering consistently close to the 1942-1943 high. The bonds still possess outstanding price appeal, in the opinion of most railroad bond men, regardless of the outcome of the Supreme Court appeal. If there were no other considerations, the rapid accumulation of cash would alone warrant considerably higher prices than the recent level of around 40. Eventually this cash will have to be utilized directly for the benefit of the First Mortgage bonds.

Aside from the serial equipments there is one security ranking ahead of tne First Mortgage, and this is the issue of Trustees' Certificates held by the RFC. Under the reorganization plan now before the Supreme Court these Trustees' Certificates were to receive the entire issue of new First Mortgage fixed interest bonds. There are now approximately $9,500,000 of the Trustees' Certificates outstanding (originally $10,000,000) and principal payments are being made at the rate of $25,000 per month despite the fact that the certificates are past due.

If it were not for court restrictions, presumably growing out of the lower court's disinclination to take any steps that might jeopardize the consummation of the plan until the Supreme Court has acted, the company could readily pay off the certificates in full and still have more cash than is needed for working purposes. In fact, there is $6,000,000 of cash already deposited as additional collateral behind the certificates, and no interest accrues on a similar face amount of the certificates. In addition, the company itself ended 1942 with treasury cash of more than $8,350,000 and system cash was close to $9,400,000. If the certificates were paid in full there would still be system cash of roundly $5,900,000 while less than $4,000,000 would presumably be adequate for working needs even under present boom traffic conditions.

If the reorganiaztion plan is turned back by the Supreme Court, and the delay in handing down a decision is considered as improving the prospects for such action, there seems little question but that the Trustees' Certificates will be paid off almost immediately. Without any change in the commission's proposed capitalization this would alone release $10,000,000 of new First Mortgage bonds for allocation to old security holders, practically all of which would go to the $49,290,000 of first 4s, 1946. At the same time, it seems reasonable to expect that if the Commission had to reconsider the Western Pacific reorganization it might well be more liberal in its appraisal of a supportable capitalization.

Under the original reoragnization the only fixed debt allowed was $10,000,000 of first 4s, and the modest amount of equipment obligations. Fixed charges were to be kept under $500,000. Last year income available for charges topped $9,000,000 despite an adjustment of close to $900,000 in the final month for maintenance and equipment reserves. In fact, with the exceptions of 1937 and 1938, when property rehabilitation work approached the level of almost complete rebuilding of the main lines, earnings have consistently run two to three times the proposed fixed charges.

There is no question but that the recent earnings have been largely war engendered, but there have also ben important elements of basic improvement which should be given recognition in any revised reorganization. These include greater utilization of the northern California connection with Great Northern made possible through the physical rehabilitation of the Western Pacific. Also, the rehabilitation has allowed more efficient operations and a correspondingly larger margin of profit. Finally, under the stimulus of the war there have been important additions to the industrial life of the service area, many of which will continue under a peace economy.

In addition to these potentialities, it is expected that the 1st mortgage bonds will receive some direct benefits this year from the record earnings and record accumulation of cash. Even if the Trustees' Certificates are paid off, the 1st 5s should be in line for substantial interest payments or invitations for tenders, or both.

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We wish to call to your attention that, according to Moody's Supplement of February 20th, 1943, the 1942 and the December 1942 net operating income figures of the

SEABOARD AIR LINE

have been revised upward:

	As Originally Announced	As Revised
DECEMBER (net operating income)	$3,067,619	$6,629,619
YEAR 1942 (" " ")	$30,383,971	$33,945,971

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Gadbois And Holton Join Wyeth & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Guy Gadbois and Charles L. Holton have become associated with Wyeth & Co., 647 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Gadbois was formerly manager of the Beverly Hills office of Pacific Co. of California and prior thereto was an officer of O'Melveny-Wagenseller & Durst and was with Schwabacher & Co. Mr. Holton was previously manager of the trading department for Morton Seidel & Co. and E. H. Rollins & Sons, Inc., in Los Angeles.

Applied Electronics— Major Post-War Industry

A most interesting booklet has just been issued by Estabrook & Co., 15 State Street, Boston, Mass., members of the New York and Boston Stock Exchanges, entitled "Applied Electronics — A Major Industry After the War? What It Offers to the Investor Today." The booklet discusses the development of the use of electron tubes industrially and in radio and television and includes brief analyses of five manufacturers of these tubes. Copies of this booklet may be had upon request from Estabrook & Co. in Boston and from the New York office of the firm at 40 Wall Street.

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(L. A. Gibbs, Manager Trading Department)

Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

The effect which severe inflation may have on bank operations and earnings is a matter of importance to bank stock investors. Two weeks ago this column reviewed the experience of New York City banks under the inflationary conditions which prevailed during the war period of 1914 to 1919. It is proposed to review this week the experience of French banks under inflation.

During World War I, and for several years following, France experienced inflation of marked and growing severity. Generally speaking, this inflation may be divided into two district phases, viz.: the war phase, from 1914 to 1918; and the post-war reconstruction phase, from 1919 to 1926. It is pertinent at this point to note that France financed her entire war cost through loans, both domestic and foreign.

At the end of 1913 France's public debt was 32,594 million francs, at the close of the war in 1918 it was 170,073 million francs, approximately 30,000 million of which was represented by foreign loans. On Dec. 31, 1926 it totaled 328,518 million francs, of which nearly 12% was represented by foreign loans. Thus, between 1913 and 1926 the public debt increased more than ten fold. The internal debt was in paper francs, but the external debt was payable in gold.

Budget deficits existed in France many years prior to the War, but they were small in comparison with the deficits which resulted from war and reconstruction financing. In 1913 there was a deficit of 165 million francs; by the end of 1918 the accumulated deficit was 144,579 million francs, and by the end of 1924, 305,106 million francs. A budget balance was achieved for the fiscal year 1926.

French inflation, therefore, came about through a long period of budget deficits, during which the Government borrowed huge sums from the Bank of France, from the commercial banks and from the public; issued short term notes, and eventually resorted to the printing press.

At the start of the War the franc was worth 19.29c, at which point it was pegged throughout the war period. It was unpegged in 1919, and rapidly fell to around 9c; in the panic of July, 1926, it reached its lowest point of 2c. With the accession of the conservative Poincare government, the franc started to rise and reached approximately 4c by the end of the year. On June 28, 1928 it was legally stabilized at 3.92c.

Throughout the entire war and post-war period there was a rise in commodity prices and in the cost of living. In November, 1918, the wholesale commodity index stood at 365.5, compared with the base of 100 in July, 1914. After the close of the war the index continued its rise to 600 in April, 1920; thereafter it declined to 313 in 1922, and then again rose to reach its peak of 854 in July, 1926, at which time the franc was at its low of 2c.

Cost of living, which was affected by a lag in certain commodities and by rent freezing, did not touch the extremes of the commodity index. Starting from a base of 100 in July, 1914, it stood at 210 in November, 1918, at 420 by the end of 1920, and at 624 in October, 1926.

It is now of interest to examine the effect on the commercial banks of this long-sustained and severe siege of inflation. Approximately half of the commercial banking business of France was carried on by four large banks which had numerous branches throughout the country. The banks are usually referred to as the "Big Four," and group figures are available for them for almost the entire period under review. All are private corporations and their stocks were regularly quoted on The Bourse.

The investment portfolios of these banks comprised, in the main, National Defense Bonds (mostly short term), commercial paper, short-term collateral loans, bank acceptances, bills and overdrafts. During the war years the largest proportion was in National Defense Bonds. After the short post-war depression of 1921-22 the demand for business credit became so great that the banks ceased buying Treasury notes and cashed those already held as rapidly as they matured.

Their portfolios aggregated around 6,572 million francs as of June 30, 1914; they declined somewhat during the early years of the war, but reached 7,557 million just before Armistice. They rose more or less steadily thereafter to 22,642 million francs by December, 1927. The expansion over the entire period was equivalent to 245%.

Deposits showed an even greater growth, expanding from 5,455 million francs on June 31, 1914 to 26,404 million francs in December, 1927, an increase of 380%. Transactions of the Paris Clearing House showed a comparable record.

Earnings figures of the banks are not available, but dividends to stockholders show a substantial rise over the period, as follows:

DIVIDENDS PAID TO STOCKHOLDERS

Year	Millions of Francs	Year	Millions of Francs
1914	34	1921	90
1915	28	1922	92
1916	45	1923	100
1917	48	1924	109
1918	58	1925	109
1919	69	1926	129
1920	90		

At the same time capital and reserves of the "Big Four" expanded from 1,088 million francs as of Dec. 31, 1913, to 1,273 million francs on Dec. 31, 1926.

Stock market indices moved up substantially throughout the inflation period, including bank stocks. The most representative index is that published by "Bulletin de la Statistique Generale de la France"; it is composed of 194

Continued on page 745)

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Reserve Liability of Prop. 8,780,000
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Aggregate Assets 30th Sept., 1941 .... £150,939,354

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CANCO AMERICAN CAN COMPANY

PREFERRED STOCK

On February 2, 1943, a quarterly dividend of one and three-quarters per cent was declared on the Preferred Stock of this Company, payable April 1, 1943, to Stockholders of record at the close of business March 17, 1943. Transfer Books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

DIVIDEND NOTICES

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED

NOTICE OF DIVIDENDS TO HOLDERS OF STOCK WARRANTS TO BEARER FOR ORDINARY AND PREFERENCE STOCK.

NOTICE IS HEREBY GIVEN that the Directors in their Annual Report have recommended to the Stockholders the payment on the 31st March, 1943, of a Final Dividend on the issued Ordinary Stock for the year ended 30th September, 1942, of fourpence per £1 of Ordinary Stock free of income tax and have declared a first interim dividend on the issued Ordinary Stock for the year from the 1st October, 1942, to the 30th September, 1943, of tenpence per £1 of Ordinary Stock free of income tax, also payable on the 31st March, 1943.

In order to obtain these dividends (subject to the Final Dividend being sanctioned at the Annual General Meeting to be held on the 15th February next) on and after the 31st March holders of Ordinary Stock Warrants must deposit Coupon No. 191 with the Guaranty Trust Company of New York, 11, Birchin Lane, London, E. C. 3, seven clear business days (excluding Saturday) before payment can be made.

Both dividends will be paid against the deposit of one coupon only, namely, Coupon No. 191.

Holders of Stock Warrants to Bearer who have not exchanged Talon No. 3 for Talon No. 4 but have deposited Talon No. 3 with the Guaranty Trust Company of New York in New York, in accordance with the arrangement which has been announced in the press, are notified that Coupon No. 191 will be detached from the corresponding Talon No. 4 and cancelled by the Company in London as and when the dividends to which they are entitled are paid.

The usual half-yearly dividend of 2½% on the 5% Preference Stock (less income tax) for the year ending 30th September next will also be payable on the 31st March, 1943.

Coupon No. 79 must be deposited with the National Provincial Bank Limited, Savoy Court, Strand, London, W. C., for examination five clear business days (excluding Saturday) before payment is made.

DATED the 19th day of January, 1943.

BY ORDER OF THE BOARD,
D. M. OPPENHEIM, Secretary.
Rusham House, Egham, Surrey.

Allied Chemical & Dye Corporation

61 Broadway, New York

February 23, 1943

Allied Chemical & Dye Corporation has declared quarterly dividend No. 88 of One Dollar and Fifty Cents ($1.50) per share on the Common Stock of the Company, payable March 20, 1943, to common stockholders of record at the close of business March 5, 1943.

W. C. KING, *Secretary*

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY

A dividend of twenty-five cents ($0.25) per share will be paid on March 16, 1943, to holders of the outstanding Capital Stock of the Calumet and Hecla Consolidated Copper Company of record at the close of business March 6, 1943. Checks will be mailed from the Old Colony Trust Company, Boston, Mass.

A. D. NICHOLAS, *Secretary.*

Boston, February 23, 1943.

SOUTHERN RAILWAY COMPANY

New York, February 23, 1943.

A dividend of Two Dollars ($2.00) per share on 1,298,200 shares of Common stock of Southern Railway Company, without par value, has today been declared, out of the surplus of net profits of the Company for the fiscal year ended December 31, 1942, payable on Thursday, April 1, 1943, to stockholders of record at the close of business Monday, March 8, 1943.

Cheques in payment of this dividend will be mailed to all stockholders of record at the addresses as they appear on the books of the Company unless otherwise instructed in writing.

C. E. A. McCARTHY,
Vice-President and Secretary.

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company declared a quarterly dividend of fifty cents (50c) per share on the common stock, payable April 15, 1943, to all holders of record at the close of business on March 20, 1943.

SANFORD B. WHITE, *Secretary.*

DIVIDEND NOTICES

CHRYSLER DODGE Chrysler Corporation DE SOTO PLYMOUTH
YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION

DIVIDEND ON COMMON STOCK

The directors of Chrysler Corporation have declared a dividend of seventy-five cents ($.75) per share on the outstanding common stock, payable March 13, 1943, to stockholders of record at the close of business February 26, 1943.

B. E. HUTCHINSON
Chairman, Finance Committee

E. I. DU PONT DE NEMOURS & COMPANY

WILMINGTON, DELAWARE: *February 15, 1943*

The Board of Directors has declared this day a dividend of $1.12½ a share on the outstanding Preferred Stock, payable April 24, 1943, to stockholders of record at the close of business on April 9, 1943; also $1.00 a share, as the first "interim" dividend for 1943, on the outstanding Common Stock, payable March 13, 1943, to stockholders of record at the close of business on February 23, 1943.

W. F. RASKOB, *Secretary*

THE ELECTRIC STORAGE BATTERY CO.

The Directors have declared from the Accumulated Surplus of the Company a dividend of Fifty Cents ($.50) per share on the Common Stock, payable March 31, 1943, to stockholders of record at the close of business on March 10, 1943. Checks will be mailed.

H. C. ALLAN, *Secretary and Treasurer.*
Philadelphia, February 19, 1943.

INTERNATIONAL SALT COMPANY

475 Fifth Avenue, New York, N. Y.

A dividend of FIFTY CENTS a share has been declared on the capital stock of this Company, payable April 1, 1943, to stockholders of record at the close of business on March 15, 1943. The stock transfer books of the Company will not be closed.

HERVEY J. OSBORN, Secretary.

OFFICE OF NORTHERN STATES POWER COMPANY (WISCONSIN)

Chicago Illinois

The Board of Directors of Northern States Power Company (Wisconsin), at a meeting held on February 16, 1943, declared a dividend of one and one-quarter per cent (1¼%) per share on the Preferred Stock of the Company, payable by check March 1, 1943, to stockholders of record as of the close of bsusiness February 20, 1943, for the quarter ending February 28, 1943.

N. H. BUCKSTAFF, Treasurer.

St. Louis, Rocky Mountain & Pacific Co.

Raton, New Mexico, February 15, 1943.

PREFERRED STOCK DIVIDEND NO. 99.

The above Company has declared a dividend of $5.00 per share on the Preferred Stock of the Company to stockholders of record at the close of business February 23, 1943, payable March 10, 1943. Transfer books will not be closed.

COMMON STOCK DIVIDEND NO. 85.

The above Company has declared a dividend of $1.00 per share on the Common Stock of the Company to stockholders of record at the close of business February 23, 1943, payable March 10, 1943. Transfer books will not be closed.

P. L. BONNYMAN, Treasurer.

UNION CARBIDE AND CARBON CORPORATION

UCC

A cash dividend of Seventy-five cents (75¢) per share on the outstanding capital stock of this Corporation has been declared, payable April 1, 1943, to stockholders of record at the close of business March 5, 1943.

ROBERT W. WHITE, Vice-President

THE UNITED STATES LEATHER CO.

A quarterly dividend of $1.75 per share will be paid April 1, 1943, to all holders of record at the close of business March 10, 1943, of Prior Preference stock of this Company.

C. CAMERON, Treasurer.

New York, February 24, 1943.

Johns-Manville Corporation

DIVIDEND

The Board of Directors declared a regular quarterly dividend of $1.75 per share on the Cumulative 7% Preferred Stock payable April 1, 1943, to holders of record on March 17, 1943, and a dividend of 50c per share on the Common Stock payable March 24, 1943 to holders of record on March 10, 1943.

ROGER HACKNEY, *Treasurer*

"Reserve Tonight for a Royal treat!"

SCHENLEY
ROYAL RESERVE
Whiskey

SCHENLEY ROYAL RESERVE, 60% GRAIN NEUTRAL SPIRITS. BLENDED WHISKEY, 86 PROOF. SCHENLEY DISTILLERS CORP., N.Y.C.

The Securities Salesman's Corner

AN ANSWER TO, "THERE ARE TOO MANY UNCERTAINTIES AROUND TODAY."

Consider the position of the average investor in securities today. More than likely he is engaged in some line of regular work that takes up most of his time and leaves him with little left over that he can devote to giving attention to his investments. With things as they stand at present, he probably desires to "make profits" and increase his income but he is also more aware of the many complicating factors which make successful investment even more difficult than heretofore.

In brief, this is the present state of mind of today's investor. He desires to put his money to work—he needs more income and profits to pay higher expenses and taxes. Meanwhile he is under a restraining influence which is caused by his realization that his own capacity to make wise selections, follow them up after he has made his commitments, and finally judge the proper time for their disposal, is very much limited by the increased pressure of his other duties and his lack of available information.

When you meet this highly intelligent investor (and there are many of them) you will recognize him immediately. He will probably be well read in some of the better financial publications, he will show an interest in your "offering"—but he will tell you frankly *that there are too many uncertainties around today.*

This, we believe, *is an invitation and a call for help*, rather than a direct expression of an unwillingness to make investment commitments. Here is the point where a salesman should become "positive" and "convincing." This investor is *looking* for someone to *help him* do a constructive investment job. At this point he doesn't want idle words, gifted oratory or generaltities, but he will listen to *concrete suggestions* that are clearly set forth and sincerely offered.

So why not say something like this: It's true there are many uncertainties today. But our firm has worked out a simple method of cooperation with our regular clients that is specifically designed to overcome this problem presented by the uncertainties that exist today. For instance, when you turn over a list of your investment holdings to us to watch for you, we take many details of supervision off your hands so that you are regularly advised regarding important changes that take place in connection with these securities. Changes in price movements are reported to you when important to do so, or new political, technical and competitive developments are brought to your attention when they affect your particular holdings. Besides you may feel free to confer with me at anytime regarding any phase of your investment program. In this way we can earn the commissions you pay us, and you can count on it that we know it is to our best interest to see to it that your investment account is successfully handled." In other words, sell yourself through your sincerity and your conviction that you are the man this investor should have has a personal advisor on his investments.

It may take some tall effort to get this point over—but don't give in. Go right back to your original offering (if you had been discussing a particular recommendation) and start to resell it all over again. Remember this type of person wants to be sold but he wants you to help him make up his mind. When you say to him that you are going to lift his burden of watching over the securities he purchases from you—you are removing an obstacle which he rightfully respects as a future hazard and you are substituting a helpful service in its place.

"I sincerely want to help you—if I can't do that I'd rather not do business with you." A certain salesman friend of ours says this to his clients and he lives up to it—is it any wonder that he has their confidence and enjoys a very satisfactory business?

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Feb. 19 that tenders for $700,000,000 of 91-day Treasury bills to be dated Feb. 24 and to mature May 26, 1943, which were offered on Feb. 17, 1943, were opened at the Federal Reserve banks on Feb. 19.

Details follow:
Total applied for $1,053,727,000.
Total accepted, $700,206,000.

Range of accepted bids:

High, 99.925; equivalent rate of discount approximately 0.297% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.906; equivalent rate of discount approximately 0.374% per annum.

Of the amount bid for at the low price 59% was accepted.

There was a maturity of a similar issue of bills on Feb. 24 in amount of $501,722,000.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 741)

likely that enough bullish sentiment can be generated once the averages get above 130 to permit of additional strength, particularly with the large number of new accounts opened daily. Yet the conditions which made a strong market possible in January are no longer present.

* * *

From the war fronts—with the exception of the Russian front—the news may become worse. If Gandhi dies, the Indian problem may flare up. The panaceas to our economic and political problems highlighted by the war will almost certainly affect the basic structure of our society. And last but not least the intensification of the rationing systems at home will take their toll.

* * *

So far the market doesn't seem to be disturbed by any of the above. It acts well, takes offerings, backs down only slightly and gives indications of doing better. Still when everything seems so nice is the time to look around for fox holes. Not when everybody else is scrambling for the same thing.

* * *

Readers are still long of certain stocks. Procedure now advised is as follows: Air Reduction bought at 30, now about 43, raise stop to 39½. Goodyear bought at 22, now about 30, raise stop to 27. International Harvester bought at 43, now about 61, raise stop to 58. Superheater bought at 13½, now about 15½, raise stop to 14½.

* * *

On Feb. 11, I suggested Bethlehem and U. S. Steel, the first at 58 or better, the second at 50 or better. Both stocks sold within a half point of the buying price. BS is now at 61. X is at 53. If you have either the stops are: BS 58 and X 49.

* * *

More next Thursday.

—Walter Whyte

[*The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.*]

Willard Sheldon With Stewart, Scanlon Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Willard H. Sheldon has become affiliated with Stewart, Scanlon & Co., 216 Montgomery Street, members of the San Francisco Stock Exchange. Mr. Sheldon was formerly active as an individual dealer in San Francisco and Palo Alto. Prior thereto he was with Coons, Milton & Co. and Newell, Coons & Co.; in the past he was associated with Dean Witter & Co. and E. A. Pierce & Co. and was a partner in Phillips & Co.

BOND SERIES
LOW-PRICED BOND SERIES
NATIONAL
SECURITIES SERIES
INCOME SERIES
PREFERRED STOCK SERIES
LOW-PRICED COMMON STOCK SERIES
INTERNATIONAL SERIES

FIRST MUTUAL TRUST FUND

Prospectuses upon request

NATIONAL SECURITIES & RESEARCH CORPORATION
120 Broadway, New York

Investment Trusts

"An Investment Program to fit 'Pay-As-You-Go'" is the timely subject of Keystone Corporation's current **Keynotes.** The program is designed to provide a dividend check each month throughout the year. It is built around the ownership of six separate Keystone Funds whose semi-annual dividend dates are timed to provide the monthly checks.

The Keystone booklet, "A Modern Method of Investing," has been revised, with pertinent data brought up to January 18, 1943. As of that date the combined asset values of the Keystone Funds were $45,837,000. The breakdown of asset values by individual Funds was as follows:

Keystone Fund	Asset Value Jan. 18, 1943
"B1"	$2,578,283.46
"B2"	7,623,110.30
"B3"	16,099,643.12
"B4"	8,561,238.24
"K1"	4,497,705.66
"K2"	560,119.44
"S1"	340,531.79
"S2"	2,587,463.43
"S3"	660,712.38
"S4"	2,328,987.24

* * *

Lord, Abbett's current issue of **Background** discusses "Inflation: Will We Prove Equal to Controlling It?" The subject is handled in the same direct, common-sense manner to which readers of this publication have become accustomed from previous issues. There is a good measure of significant comparative data and the fundamental problems of wages and farm prices are thrown into the spotlight. The conclusion is optimistic—but cautious. We quote:

"If—as now seems indicated, as a result—both wage rates and farm prices can be harnessed as effectively as the prices of manufactured goods, which have withstood the pressure of inflationary tendencies without yielding, it seems indicated that we may be on our way to winning our fight against inflation on the control 'front.' With similar success on the tax front, inflation can be defeated."

* * * *

National Securities & Research Corporation's current issue of **Investment Timing** analyzes the prospects for inflation with respect to stock prices. A highly interesting conclusion is reached. It is based on the premise that: "Both as to inflation in general, and as to inflation as a reason for common stock prices rising, it is the psychological element that is dominant. For ten years, various economists have pointed out the fact that the basis for such a rise exists, but the psychology leading to the typical 'flight from money into things' has not become activated."

The conclusion is that such an "inflation" psychology is much more likely to develop after the war than during the war. As to its influence on stock prices, the bulletin concludes, "It seems unlikely that 'inflation' psychology will initiate a market rise; but if a major rise gets under way and begins to become at all violent, inflationary psychology might extend it greatly."

The forecast of this service as to the intermediate trend of stock prices as of February 11 was as follows:

"The probability that a price culmination of more than very minor importance has occurred, or will occur in the near future, seems, as we write tonight, too great to permit our taking at this time even a short-term bullish position."

* * * *

"There are only two distinct roads before us—free enterprise or government capitalism. The first, under intelligent direction and a keen sense of social responsibility, provides individual freedom and opportunities for advancement, and has the potentialities to provide the abundant life. The other road leads, as it has always led, to regimentation, oppression, a general leveling down of the living standards, and eventually stagnation and war.

"America's future progress will depend upon what road we choose to take. When peace again prevails, we should regenerate and restore vitality to the best phases of the enterprise system that has served us so well in the past and has the capacity for great future expansion if we but intelligently use the facilities at our command. Should we choose this course, then we shall be able to provide jobs for all, raise living standards, and fortify our security."—From the **New England Letter** of the First National Bank of Boston as quoted in MIT's **Brevits.**

* * * *

Citing nine reasons, the sponsors of Selected American Shares in a recent issue of **Selections** state that now is a "time for confidence." The bulletin holds that the "common stock investor now has more reason for confidence in the future than at any time in the past five years—and perhaps in the past fifteen."

Highlights of Selected American Shares' tenth annual report are listed in a subsequent issue of **Selections.** Noteworthy is that while net asset value per share, total net asset value of the fund, and total number of shares outstanding all increased during 1942, operating expenses for the year were lower than in 1941.

(Continued on page 750)

Keystone
Custodian Funds

BONDS

Business Men's Investment Bond Fund	B1
Medium Priced Bond Fund	B2
Low Priced Bond Fund	B3
Speculative Bond Fund	B4

PREFERRED STOCKS

Income Preferred Stock Fund	K1
Appreciation Preferred Stock Fund	K2

COMMON STOCKS

Quality Common Stock Fund	S1
Income Common Stock Fund	S2
Appreciation Common Stock Fund	S3
Low Priced Common Stock Fund	S4

Prospectus may be obtained from your dealer or from

THE KEYSTONE CORP. OF BOSTON
50 CONGRESS STREET, BOSTON

Municipal News & Notes

Much of the attention of the municipal bond fraternity will undoubtedly center on the outcome of today's sale of $12,000,000 New York State grade crossing elimination bonds, for which bids will be opened at 1 p.m. by Comptroller Frank C. Moore. This offering has naturally created more than the usual amount of interest that attaches to long-term borrowings by the Empire State as it represents the first occasion in the State's history that bonds will be sold containing a callable clause. Aside from this innovation in State financing, the current issue also differs from previous borrowings for grade crossing purposes in that the maturity of the bonds will be 20 years rather than for the 40-year period as in the past. For these reasons, the present sale will be followed with particular interest by the trade and, according to all indications, Comptroller Moore's first long-term operation should be a signal success.

Delaware River Unit Considers Debt Refunding

The Delaware River Joint Commission is investigating the possibility of refinancing its $35,703,000 of outstanding funded debt in order to reduce "its heavy interest burden," it was stated in the annual report of Joseph K. Costello, General Manager. The bridge bonds, it was noted, become callable Sept. 1, 1943, at 105 and now bear a 4¼% coupon. A substantial saving in interest charges is the goal toward which the Commission is driving, the report said.

In connection with operating results in 1942, the report shows that net income for the period amounted to $982,881, as compared with $1,576,075 in 1941. Traffic on the structure dropped 20.31% from its all-time peak in 1941, it was noted. For the month of December alone the decline was particularly heavy, representing a curtailment of one-third below the amount of traffic using the structure in the same month in the earlier year.

The report also mentioned the possibility of further decline in revenues in light of reports from Washington "that Philadelphia-bound buses might be forced to curtail their runs at Camden and transfer passengers to the rail line." Such a policy, according to recent Philadelphia news reports, would result in an annual loss of $200,000 from bus tolls and it was also noted that an additional revenue loss is possible in view of the efforts now being made by the operators of the high-speed transit line to have the Office of Defense Transportation invalidate the present contract to reduce the toll per passenger from 2½ cents to 1½ cents.

Stranahan Syndicate Buys Texas River Authority Bonds

The Lower Colorado River Authority, Texas, has just awarded $21,635,000 of bonds at competitive bidding to Stranahan, Harris & Co., Toledo, on a net cost basis to the issuer of about 2.92%. White, Weld & Co., New York, bid on a net basis of approximately 2.93%. Public offering of the bonds will be made by a syndicate headed by the First Boston Corp. and Stranahan, Harris & Co.

Tennessee Extends Debt Retirement Act

The Tennessee Taxpayers Association, Inc., Nashville, Tenn., reports that, in line with its recommendations, the General Assembly has approved as Chapter 136 of Laws of 1943, a bill making all general obligation bonds already issued or hereafter issued by the State subject to financing and retirement under the provisions of Chapter 165, Public Acts of 1937. Because of an oversight, the Association reports, the act authorizing the $500,000 State tuberculosis hospital bonds, dated April 1, 1941, did not affirmatively make this issue subject to the requirements of the 1937 debt retirement law. To correct this omission and to bring all other general obligation issues within the provisions of the 1937 enactment, the abovementioned new bill was enacted.

Kentucky Bridge Project Revenues Charted

Institutional and individual holders of various Kentucky and out of State bridge revenue bonds are advised of the preparation by J. J. B. Hilliard & Son, of Louisville, of a comparative statement of bridge revenues for the 12 months' period ended Dec. 31, 1942. The survey is particularly interesting in that it shows the extent to which bridge earnings have been affected by gasoline and tire rationing.

In connection with the reduced revenues on Kentucky bridge projects, the bond house states that it appears that such income for the full year 1943 will be in the neighborhood of 25% to 50% below the 1942 figures. In spite of this drastic reduction, it was stated, gross revenues and cash in the sinking funds should be sufficient to retire principal and interest on the debts of the facilities when due. Sinking fund balances, the report says, equal two or more years' interest requirement.

VIRGINIA

Wire Bids on
VIRGINIA—WEST VIRGINIA
NORTH and SOUTH
CAROLINA
MUNICIPAL BONDS

F. W.
CRAIGIE & CO.
RICHMOND, VIRGINIA
Bell System Teletype: RH 83 & 84
Telephone 3-9137

New Jersey Local Units Increase Tax Collections

The State's municipalities collected last year 87.3% of their total tax levy, according to the annual report of Walter Darby, Local Government Commissioner. This was the largest percentage of current collections for any year since 1937, the figures for the earlier years having been as follows: 1937, 71.51%, 1938, 73.99%, 1939, 78.08%, 1940, 80.35%, and 83.34% in 1941. Only two municipalities, both in Atlantic County, were reported as being in default in meeting their bonded indebtedness. They are Brigantine, $1,282,468, and Somers Point, $4,000.

Total assets of the municipalities reporting as of Dec. 31, were $238,683,539, an increase of $26,635,934 over those reported for Dec. 31, 1941. The latest figures do not include 45 municipalities which failed to report. Tax levies of these for last year aggregated $13,455,522.

Total liabilities at the close of the year were placed at $34,447,590, a drop of $1,850,617 from 1941. Major items reported were: Balance due local schools for the years 1942-1943, $22,553,190; prepaid taxes for 1943, $5,282,837; appropriation reserves, $4,701,340; unpaid state and county taxes for 1941 and previous years, $633,109; due other funds-account advances $669,816. Bayonne was the largest city which failed to report. Its tax levy for 1942 was $7,129,589.

Major Sales Scheduled

After today's sale of the $12,000,000 New York State issue, the next important operations in the new issue field will involve the forthcoming housing authority bond offerings aggregating over $20,000,000. Strong bidding is expected to develop for these loans as such instruments are highly rated as prime investments and enjoy a wide following among investors in all classes. The calendar of pending awards of $500,000 or more follows:

February 25

$750,000 Nassau County, N. Y.

The Franklin Square National Bank of Franklin Square purchased the last previous issue, the second high bid having been submitted by the Graham, Parsons & Co. account.

$12,000,000 New York State.

At the last previous sale, in Dec., 1941, the successful bidder was a syndicate headed by the National City Bank of New York.

March 2

$4,100,000	Alley Dwelling Authority, Washington, D. C.
6,000,000	Baltimore City Housing Authority, Md.
7,800,000	Boston Housing Authority, Mass.
2,375,000	Detroit Housing Authority, Mich.
850,000	Jersey City Housing Authority, N. J.
2,800,000	Louisville Housing Authority, Ky.

March 3

$1,200,000 Washington Suburban Sanitary District, Md.

Previous issue taken by Shields & Co., New York, and Associates, with the second high bid being made by the Northern Trust Co., Chicago, account.

SEC Interpretation Of Amended Proxy Rules

(Continued from first page)

firms in which a director of your company is a director or partner of the other party to the transaction. If the director's interest in the transaction arises merely from the fact that he is a director of the other company, it appears in the light of the principles stated above that no mention of the transaction need be made. However, in commenting on your questions I shall assume that your director is an officer, partner or 10% stockholder of the other party to the transaction.

"Your list is as follows:

"1. A bank which makes commercial loans to the company at the going rate of interest and also issues letters of credit, etc. at the going rate.

"2. An insurance company which issues policies of Marine Insurance in the usual form and at the usual rates.

"3. An industrial company from which the company makes purchases of machinery, equipment or supplies.

"4. A law firm which is employed on an annual basis to handle various legal matters.

"5. A tenant at a substantial rent of part of an office building owned by a subsidiary of this company.

"6. A railroad over which this company ships most of its products.

"7. A telegraph company.

"8. A telephone company.

"9. An electric light company.

"10. A sales agent for one particular line of fabrics in one city.

"I believe that a director's interest in transactions with the companies referred to in 7, 8 and 9 need not be referred to under paragraph H if the transactions involved the ordinary services rendered by such companies and the services were rendered at the usual and regular rates. If the transactions involved extraordinary, unusual or special services and were not immaterial and insignificant, the interest of directors in them should be disclosed.

"Directors' or their associates' interest in transactions with the companies referred to in 1 to 5, inclusive, and in 10 should be disclosed unless the transactions were immaterial and insignificant.

"If a choice between two or more carriers is available to the company in determining the route over which its products should be shipped, I should consider that the director's interest in the transactions referred to in 6 should be disclosed unless the transactions were immaterial and insignificant.

"The description of the transaction and of the director's interest in it should be brief. Details such as the dollar amount involved and the precise terms of the arrangements need not be stated."

To another inquiry regarding the same provision of the rule, the director wrote as follows:

"You state that a director of the issuer is an officer of a banking institution with which the company may have funds on deposit, or which may act as trustee under

The Comptroller of the State of New York
will sell at his office at Albany, New York
February 25, 1943, at 1:00 o'clock P. M.

$12,000,000.00
Elimination of Railroad
Grade Crossing (Serial) Bonds
of the
State of New York

Dated February 26, 1943 and maturing as follows:
$600,000.00—annually February 26, 1944 to 1963 inclusive.
Redeemable by State on notice, on February 26, 1953 or any interest payment date thereafter.
Principal and semi-annual interest February 26 and August 26 payable in lawful money of the United States of America, at the Bank of the Manhattan Company, New York City.
Descriptive circular will be mailed upon application to
FRANK C. MOORE, State Comptroller, Albany, N. Y.
Dated: February 17, 1943

A Safe Haven For Investment Funds

Individual investors, trustees and other* fiduciaries interested in becoming acquainted with the Federally insured investment opportunities offered by savings and loan associations should write for current explanatory literature to the associations mentioned below. When doing so please mention the "Chronicle."

- American Savings & Loan Association
  17 East First South Street, Salt Lake City, Utah
- Berkeley Guarantee Building & Loan Association
  2101 Shattuck Avenue, Berkeley, Calif.
- California Federal Savings & Loan Association
  5654 Wilshire Blvd., Los Angeles, Calif.
- California Savings and Loan Company
  673 Market Street, San Francisco, Calif.
- Citizens' Federal Savings and Loan Association
  654 Market Street, San Francisco, Calif.
- First Federal Savings and Loan Association of Altadena
  2455 North Lake Avenue, Altadena, Calif.
- First Federal Savings and Loan Association of Beverly Hills
  9501 Santa Monica Boulevard, Beverly Hills, Calif.
- First Federal Savings and Loan Association of Hollywood
  6763 Hollywood Boulevard, Hollywood, Calif.
- First Federal Savings and Loan Association of Wewoka
  211 South Wewoka Avenue, Wewoka, Okla.
- Franklin Federal Savings and Loan Association
  616 East Franklin Street, Richmond, Va.
- Glendale Federal Savings and Loan Association
  118 North Brand Boulevard, Glendale, Calif.
- Home Federal Savings and Loan Association
  945 Seventh Avenue, San Diego, Calif.
- Home Mutual Deposit-Loan Company
  160 Sutter Street, San Francisco, Calif.
- Independent Building-Loan Association
  16 East San Antonio Street, San Jose, Calif.
- Mid Kansas Federal Savings and Loan Association
  215 South William Street, Wichita, Kans.
- Mutual Building & Loan Association of Pasadena
  38 South Los Robles Avenue, Pasadena, Calif.
- Northwestern Federal Savings & Loan Association
  823 Marquette Avenue, Minneapolis, Minn.
- St. Paul Federal Savings and Loan Association
  Fourth at Wabasha Street, St. Paul, Minn.
- San Diego Federal Savings & Loan Association
  1027 Sixth Avenue, San Diego, Calif.
- San Francisco Federal Savings and Loan Association
  705 Market Street, San Francisco, Calif.
- Standard Federal Savings and Loan Association
  735 South Olive Street, Los Angeles, Calif.
- Wilshire Federal Savings and Loan Association
  461 South Western Avenue, Los Angeles, Calif.

*Guardians, insurance companies, State, school and municipal sinking funds firemen's, police and other pension funds, etc.

a mortgage or other indenture, or as transfer agent of stock, or as registrar with respect to outstanding stocks or bonds. You ask whether the director's interest in these transactions should be disclosed under item 5 (H).

"Where a director of the issuer is an officer of a banking institution which during the period covered by the statement has rendered services as trustee under a mortgage or other indenture, the existence of such relationship should be disclosed unless the whole matter is immaterial and insignificant. Directors' interests in the other transactions mentioned in this item need not be disclosed."

Another excerpt refers to the paragraph (I) (3) of item 5 which requires in respect of each director, nominee, or person who has acted as an officer but not as a director, and who has received remuneration in excess of $20,000 during the fiscal year, a statement of—

"the amount paid or set aside by the issuer and its subsidiaries primarily for the benefit of such director, officer or nominee, pursuant to each pension or retirement plan of the issuer and its subsidiaries or other similar arrangement, and the amount of the annual benefits estimated to be payable to such director, officer or nominee in the event of retirement."

The director's comment on this paragraph follows:

"You state that your employees' retirement plan provides for contributions to the retirement fund both by the employees and by the company. The amount of retirement benefits, if any, which a particular officer or director will receiver will depend upon his continuance in the company's employ until he reaches retirement age and upon the amount of his salary in future as well as past years. In view of these uncertainties and of the fact that his retirement benefits will result in part from his own contributions, you suggest that you should not include in the tabulation called for by item 5 (I) the estimate of annual retirement benefits specified in paragraph (3) thereof.

"I think you should include the required estimate in the tabulation, computing it upon the assumption that an employee will continue in the employ until normal retirement age at his present salary and explain in a footnote the assumptions upon which the estimate is based. The footnote may also include a statement to the effect that part of the sum is attributable to the employee's own contributions."

The following excerpt refers to paragraph (L) of item 5 which calls for the name of each person other than a director, officer or employee of the issuer whose aggregate remuneration from the issuer exceeded $20,000, the amount received by each such person and the capacity in which it was received.

"You point out that paragraph 5 (L) of item 5 of Schedule 14A is substantially the same as item 11 of Form 10-K, the form on which the company files its annual report with the Exchange and with the Commission under the Securities Exchange Act of 1934. You ask whether the instructions as to item 11 of the Instruction Book for Form 10-K may be used as a guide in determining what disclosure should be made in the proxy statement under item 5 (L).

"Item 5 (L) is intended to elicit information similar to that required to be given under item 11 of Form 10-K and the instructions as to that item may properly be used as a guide in the preparation of that part of the proxy statement."

Our Reporter On "Governments"

By S. F. PORTER

The Government market has slowed down just as was to be expected. . . . April is getting mighty close now. . . . The long breathing spell investors had to consider when they looked at their cash positions and at the market in January and early this month is not so impressive from this calendar point. . . . Banks are drawing back, anticipating heavy withdrawals in March for income tax purposes and getting set for the next major financing deal. . . . Insurance companies are selling municipals, realigning their portfolios in preparation for the April deal but they're not entering the market on any large scale to pick up outstanding issues at this date. . . . Dealers are getting more cautious too. . . . So it all adds up to a leveling out. . . . As is logical, natural and healthy. . . .

Between now and the next borrowing, chances are the Government market will do comparatively little on either side. . . . We may see a reaction of a few 32nds, may see a snapback now and then due to individual buying orders, Federal Reserve operations in the market, etc. . . . But nothing important is forecast by any dealer. . . . No matter what the news on the military or political front, the institutions which "make" the Government market from this day on will be governed primarily by their expectations on the new issue and thus the odds are against any buying wave. . . . As for selling by private holders, we may be sure the Federal Reserve System will stand ready to prevent any reaction prior to the next borrowing for psychological and technical reasons. . . . Which all adds up to a quiet, listless market, enlivened occasionally by slight price shifts in both directions. . . .

THE NEXT DEAL

Feeling on size of next borrowing seems to be it will be around the $15,000,000,000 to $16,000,000,000 mark. . . . The goal may be set lower to let the market and the Victory Fund Committees show up nicely again. . . . (In December, the goal was $9,000,000,000 and the subscriptions were $12,906,000,000, a differential which still is giving the market a good psychological base). . . . Maybe the goal this time will be $13,000,000,000 and the expectation will be $3,000,000,000 surplus. . . . Anyway, we have Secretary Morgenthau's word for it that the new borrowing will total at least $9,000,000,000 "if not more than that," which is as good a sign as we need at this time. . . .

As for terms, no new rumors here although the talk still is the "Victory 2½s" will be reopened and a note will be substituted for the short-term bond issue tried last time. . . .

Some gossip about a three-way offering in the open market as opposed to the 2½s plus 1¾s of December. . . . But report of a 2¼% bond issue may be discounted on one basis and that is the interference this loan might create with the Victory 2½s. . . . No point in confusing the market, as Treasury officials have found out. . . . The simpler the deal is, the better. . . .

A real short-term plus a real long-term are certain, with the interest rates depending on the market right before the issue. . . . An intermediate offering is possible but not probable, judging from today's market. . . .

WAR LOAN DEPOSITS

The Congressional move to eliminate Federal Deposit Insurance Corporation assessments on war loan deposits of the Federal Government is certain to help the April financing. . . . Here's a step long advocated in financial circles. . . . Removal of assessment was suggested in these columns long ago. . . . No one has come up to oppose step. . . . And now it's an actuality. . . .

Fact is banks will be more willing to buy Governments now that they're not forced to pay the 1/12 of 1% assessment on war loan deposits. . . . They'll buy many more under the war loan deposit system which Federal Reserve Board Chairman Eccles admits is essential to the financing of the war. . . . And they'll make more money all around because they'll get more securities, get more interest thereby and save on the deposit assessment. . . .

The assessment supposedly is being suspended only for the duration but whether or not it ever is put back may depend on the banking system's pressure at the war's end. . . . In the meantime, it's an intelligent banking and market move. . . .

Bank & Insurance Stocks

(Continued from page 742)

different stocks, comprising twenty-five groups, including banks, insurance, rails, utilities, industrials, mines, etc. A comparison of this index with one representing 13 bank stocks is as follows:

	194 Stocks	13 Bank Stocks
1913	100	100
January, 1923	152	150
January, 1924	208	180
January, 1925	200	160
January, 1926	211	183
January, 1927	265	238
March, 1927	280	277

Some groups of stocks naturally performed better than others. For instance, chemicals and textiles performed excellently, while rails and utilities showed a relatively poor performance. Bank stocks, it will be noted, behaved approximately in line with the general market, and showed a total appreciation of 177% over the entire period.

Dominion of Canada
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CANADIAN SECURITIES

CANADA'S WAR RECORD

We in the United States have been so engrossed in our own prodigious war effort—and in the problems it has created—that some of us may not have a full appreciation of what Canada is doing to help defeat the Axis. It may even come as a surprise to many Americans that Canada's war record not only equals but in a number of respects excels our own.

Early this month Prime Minister King released the figures on Canada's 1942 war production. They revealed a great expansion in output over 1941. The dollar volume of Canada's war production last year was 159% greater than in the previous year. Here are some of the figures:

CANADIAN WAR PRODUCTION

	1942	1941
Military Aircraft	3,800	1,700
Cargo Ships	80	1
Tanks & Armored Cars	12,000	3,000
Trucks	200.000	120,000
*Total value (millions)	$2,100	$800

*Including miscellaneous war production.

Personnel directly engaged in the war effort:

	1942	1941
War Workers	1,000,000	700,000
Army:		
Volunteers	360,000	260.000
Draftees	55,000	20,000
Navy Personnel	52,000	27,000

Translating these figures into United States war production on the basis of the total population in each country, one arrives at some significant comparisons. Canada's expenditure for war materials last year was equivalent to an outlay of $22.4 billion for the United States. However, the comparison in terms of dollars is misleading because Canada got more for her dollars than we did. Just how much more is indicated by the following figures:

Canadian War Production in Terms of Equivalent Figures for the United States Based on Total Population

	1942
Military Aircraft	42,300
Cargo Chips	890
Tanks & Armored Cars	134,000
Trucks	2,220,000

When these figures are compared with what the United States actually produced last year, as revealed by President Roosevelt in his January message to Congress, Americans will find good reason to applaud Canada's accomplishments. In fact, what Canada has done is all the more remarkable in view of her position as a predominantly agricultural nation before the war. Moreover, a small population and vast spaces of territory have accentuated for her the man-power problems which are invariably created when a nation is forced to convert from peace-time to war production and raise an army, all on short notice.

Yet despite her man-power problems and her production accomplishments, Canada at the end of 1942 had raised an army of 415,000 men, 87% of whom are volunteers. This is equivalent to an army of 4,600,000 for the United States.

(Continued on page 750)

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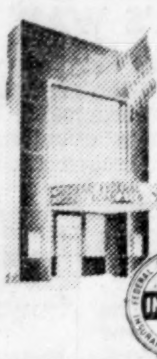

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Savings-Loan Units' Investment In Govt. Securities Increased

A report issued this month by the Federal Savings and Loan Insurance Corporation showed that during 1942 the 2,400 insured savings and loan associations in the country increased their holdings of United States Government obligations from $43,900,000 to $193,500,000. At the end of 1941, 1.3% of the combined resources of these institutions was represented by government bonds; last Dec. 31 the ratio had jumped to 5.3%.

"This is a record for savings and loan associations, which ordinarily invest almost all of their funds in long-term mortgages," said Oscar R. Kreutz, general manager of the corporation. He further said: "It reflects heavy purchases of Series F and G War Bonds by these institutions, as well as their investments in U. S. obligations of other types. Such purchases have, of course, been increased because normal loan outlets of the associations have been curtailed by wartime restrictions on building while associations have continued to receive investments from the public in steady volume.

"Although the associations' holdings of government bonds increased considerably during the first nine months of 1942, the rise during the last three months of the year was greater than that of the three previous quarters combined."

Twin City Savs.-Loan Elects New Officers

MINNEAPOLIS, MINN. — The directors of the Twin City Federal Savings & Loan Association, 801 Marquette Avenue, announce the election of the following officers:

A. M. Blaisdell, Chairman of the Board.
Roy W. Larsen, President.
Henry Rines, Vice-President.
B. N. Bell, Secretary-Treasurer.

The Home Front— The Story Of Mayfair

Mayfair is a housing project sponsored and financed by the First Federal Savings and Loan Association of Altadena, Calif., in cooperation with Government housing agencies, to provide modern, attractive, low-cost homes for workers in war industries. These high quality homes offer marked distinction from the ordinary housing project. An attractive illustrated booklet describing the entire project may be had upon request from the First Federal Savings and Loan Association of Altadena, 2455 North Lake Avenue, Altadena, Calif.

California's Savings-Loan Assn's Maintain High Volume Of Refinancing Loans

By NEILL DAVIS

Executive Vice-President California Savings and Loan League

The distribution of approximately $6,000,000 of earnings for the last half of 1942 to investors and members of savings and loan associations of California was made at the year-end. Investors in the State number about 430,000 individual savers. The 178 associations of California, 32 of which are 50 years old or over, reported combined assets of $354,991,193, a gain for the preceding year of $12,283,016. Ninety-seven cities have one or more such institutions, which serve practically every community of the State.

Neill Davis

The contributions of savings and building-loan associations to the problems brought by war are far-reaching and note-worthy. Two are foremost . . . their fight against inflation and aid in the housing shortage.

In the government's drive for the sale of its own securities (the industry has exceeded the $100,000,000-quota set by itself for the last half of 1942, and has pledged three times that amount in purchases for 1943. As issuing agents for War Bonds, these associations have co-operated in the government's financing program with sales totaling millions of dollars. Many of them have installed the payroll deduction plan in their own institutions and for other corporations.

Savings and loan associations have long been leaders among institutional lenders in the volume of new loans on existing properties. With an active sales market, they are still maintaining a satisfactory volume of refinancing loans. Despite the complete stoppage of home building except in war-industry areas, statistics show that the mortgage-loan volume has not decreased to the extent which may have been expected since the active participation of the United States in the present conflict. The maintenance of its position—which is steadily improving—is an indication that associations have established themselves in community life.

While the vast sum of $35,000,000,000 will be taken from the American public next year in taxes, this is less than one-third of the predicted national income. More than 27,000,000 persons will pay taxes on their 1942 incomes, and this number will be increased substantially when the victory tax goes into effect. One-third of these taxpayers will pay such taxes for the first time.

With countless thousands able to buy for the first time, it is plain that now more than ever our spending for the usual commodities must be cut down quickly and drastically. Savings and loan associations, apostles of thrift and home ownership since 1830, are perhaps better equipped to serve in this capacity than overwise in the war program. By urging its 540,000 investors and borrowers of California, most of whom are heads of families, to pay off their debts and invest their surplus income over and above their regular War Bond quotas in savings accounts, thus accumulating a huge reservoir for post-war needs, the industry is turning vast sums away from the purchasing stream of rapidly diminishing civilian goods.

12 Federal Home Loan Banks Report Income Of $3,903,000 For 1942 Calendar Year

The net income of the 12 Federal Home Loan Banks for the calendar year 1942 amounted to $3,903,000, of which 20%, or $781,000, was transferred to the legal reserve as required by law, according to an announcement issued by Everett Smith, financial representative of the banks. This compares with net income of $3,779,000 for the previous 12 month. Mr. Smith also pointed out that dividends totaling $1,065,000 were declared by the banks as of Dec. 31, 1942, resulting in the declaration of dividends aggregating $2,068,000 for the entire year. During the year ended Dec. 31, 1942, the net profits of the banks, after payment of dividends and setting aside legal reserve requirements, amounted to $1,054,000. The total net income of the banks from the beginning of their operations on Oct. 15, 1932, through Dec. 31, 1942, aggregated $34,288,000 which has been distributed as follows: $6,859,000 transferred to legal reserves; $1,754,000 transferred to reserves for contingencies; $14,944,000 paid in dividends to United States Government; $4,533,000 paid in dividends to member institutions, and $6,198,000 remaining in unreserved earned surplus.

Regarding the banks' advances, the announcement stated:

"Advances outstanding to member institutions on Dec. 31, 1942, amounted to $129,213,000 of which $53,577,000 represented short term advances which mature within one year, while the balance of $75,636,000 represented long term advances which mature up to 10 years, and on which instalments of approximately $9,323,000 are due within one year. Under the rules and regulations for the Federal Home Loan Bank System, Federal Home Loan Bank advances made for one year or less need not be amortized, but when made for more than one year and up to 10 years, such advances are required to be amortized on a monthly or quarterly basis.

"Of the total advances outstanding on Dec. 31, 1942, $98,259,000 were on a secured basis and $30,954,000 on an unsecured basis. The secured advances were collateralized by 98,958 home mortgages, the unpaid balances of which aggregated $259,557,000, and by obligations of the United States, direct or guaranteed, having a face value of $755,000. In addition to this collateral, the Federal Home Loan Banks held a statutory lien on all stock in such banks owned by each borrowing member institution which, on Dec. 31, 1942, totaled $21,503,000. The Federal Home Loan Bank Act requires that at no time shall the aggregate outstanding advances made by any Federal Home Loan Bank to any member exceed 12 times the amounts paid in by such member for outstanding capital stock held by it.

"Since the beginning of their operations on Oct. 15, 1932, through Dec. 31, 1942, the total advances made by the 12 Federal Home Loan Banks aggregated $973,197,000, against which repayments to that date aggregated $843,984,000. Except for indebtedness of four members in liquidation aggregating $150,000 on which the banks anticipate no losses, there were no delinquencies in principal or interest on Dec. 31, 1942, in excess of 30 days."

Savings and Loan Institutions Are Preparing To Adapt To Post War Needs

By HALSEY R. HANGER

Dubuque, Iowa

Director, United States Savings and Loan League, District 7

During the past four years, the only period for which reliable estimates on money received are available, $4,825,176,000 has been invested in savings, building and loan associations and cooperative banks in the United States. The figure is significant because it represents about 75% of the total funds invested in the institutions now. It means that the post-depression share account in a savings and loan association or cooperative bank is in the majority, whether it is owned by an individual or an institutional investor. It means that the great majority of persons and organizations, estates and trusts, investing in our institutions today think of them strictly in terms of their post-depression policies and practices.

Halsey R. Hanger

This fact is important because the depression period represented a new milestone in the maturity of the savings and loan institution. With its fundamentals of operation and its objectives still the same as in 1831, when the first association came into being, this system of financial institutions made some tremendous advances during the recovery period. Just to mention one or two of those advances, I would point out that the most flexible plan which the savings and loan system has ever offered investors is characteristic today. The evolution of savings and loan history has always been in that direction but the 1930's gave it real impetus. An investor or saver can have almost a tailor-made plan for putting his money into a savings and loan institution. He can force himself to put money in periodically by aiming at a premium for systematic saving. He can be an optional saver or a lump-sum saver, can receive dividends in cash or have them credited to his share account.

Again, the borrower finds a flexibility in the savings and loan plan of financing real estate which was nonexistent ten years ago. He can have ten years or twelve years, fifteen or twenty to pay off his loan. The interest rate he pays will depend usually on the set of circumstances which constitute the actual risks of that particular piece of financing. Chiefly the changes which have advanced savings and loan in the past decade have been those which attracted more and greater varieties of persons and of institutions to it than were heretofore interested.

After the war this system faces another era when adjustments will have to be made in policy and approach to the public. The evidences of its flexibility in the 1930's augur well for a sane and healthy approach to the new problems after the war has been won. Furthermore, the die is cast for progressive procedure in the savings and loan business by the very fact that so many of today's investors have brought their money in during the past four years. The directors of the associations, the men who guide basic policy, who must be depended on to approve progressive policies, are chosen from among those who are investors. If we have an investor group mainly conscious of a savings and loan association as a flexible institution for quasi-public service, we are most likely to have directors with that point of view. This being the case there is every reason to look forward to greater development of these institutions after the war and consequent greater service to their communities. In the final analysis any financial institution must stand the test of usefulness to its community and the tests of the post-war period may prove to be many and great. This business is in a position to come through them with flying colors. It will be earning its salt in the post-war period and the investors will get the earnings.

Actually the war period is becoming a great time of preparation within the institutions. They have their war duties and responsibilities. They tie in definitely with the financing of the war, having sold $350,000,000 worth of war bonds over their counters and bought some $250,000,000 of governments for their own portfolios since Pearl Harbor. They have financed approximately 300,000 homes in war industry areas to help solve the war housing program. They are continuing to expand their contribution in all these phases so that 1943 performances will dwarf those up-to-now. But meanwhile they are anticipating a future wherein private enterprise will have its opportunity to show that it can bring about full employment. They are getting ready for a day when there will be a great demand for funds. Policy in the selection of government securities for their own portfolios, and the widely followed practice of not only accepting but encouraging savings regardless of the current loan demand in their localities, are both parts of the pattern. The determination is there to have enough money to do things after the war.

The housing expansion which is inevitable after a period of WLB L-41 strictures on the home building plans of America can be financed by private enterprise. Private enterprise can develop plans for putting into their own homes the people in America who are in the lower income brackets. Savings and loan institutions are determined to be ready with the money to lend private enterprise home building when the peace comes, and their leaders are working on plans to make post-war home ownership something more than a middle class indulgency.

Probably another $1,350,000,000 will be put into savings and loan associations this year. Much will come from new investors and much will represent additional investments by those who are already happily acquainted with thrift and home financing institutions. Their opinion of the savings and loan institution will be the post-depression opinion of a flexible, forward-looking community organization adapting itself to the times and therefore always remaining an asset to the community, earning its right to existence and paying the earnings to the people whose money is invested. They will not be disappointed in the post-war savings and loan association because that is the type of adaptable institution it will continue to be on basis of present plans and leadership.

Los Angeles Savings-Loan Associations Open Educational Campaign

The savings and loan associations of Los Angeles County have undertaken a co-operative effort which may prove to be an innovation for this type of organization. At the request of the Los Angeles City Superintendent of Schools, they have joined forces under the title "Los Angeles City and County School Savings and Loan Association" for the purpose of instruction, as a regular part of the school curricula, in the principles of thrift and economy, the economical management of affairs, respect for property, and the inculcation of the importance of systematic saving and home ownership.

George M. Eason

However, the initial effort of this organization will be concentrated on effective participation in the Southern California "Schools at War" Education Committee's program in the War Stamp and Bond campaign. For this purpose, Avery J. Gray has been engaged as director of thrift practice instruction for the new organization.

Leading educators and the Treasury Department are giving complete support, and the program . . . although only recently commenced . . . is showing great promise.

George M. Eason, President of Standard Federal Savings and Loan Association, Los Angeles, is head of the thrift education program. Other officers and executive committee members are: T. A. Gregory, Long Beach, Vice-President; M. H. Mahana, Jr., Pasadena, Secretary-Treasurer; C. A. Carden, Whittier; F. B. Palmer, Pomona; Hugh H. Evans, Vierling Kersey, and Neill Davis, all of Los Angeles.

Hooker Electrochemical Situation Attractive

The current situation in Hooker Electrochemical Co. offers attractive possibilities, according to a memorandum issued by Baker, Hughes & Treat, 40 Wall Street, New York City. Copies of this interesting memorandum may be had from the firm upon request.

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Buy War Bonds Here

3%
Current Rate
Federally Insured Savings
OUR GROWTH
Jan. 1, 1935—$23,590.36
Jan. 1, 1937—$2,016,655.68
Jan. 1, 1939—$3,449,384.16
Jan. 1, 1941—$4,418,854.77
Jan. 1, 1943—$5,303,244 26
GLENDALE FEDERAL SAVINGS
AND LOAN ASSOCIATION
118 N. Brand Blvd.
Glendale, Calif.

Franklin Federal
SAVINGS AND LOAN ASSOCIATION
of Richmond
Assets over $4,000,000.00
We Invite Your Inquiry On
Investment Of Trust Funds
RICHMOND . . . . . . VIRGINIA

We Solicit The Investment
of
—Trust Funds
—Endowment Funds
—Insurance Funds
—Individuals
ASSETS OVER $5,000,000
RESERVES & SURPLUS
$631,599.45
CURRENT DIVIDEND 3%
•
Independent
Building-Loan Association
16 E. SAN ANTONIO ST.
SAN JOSE, CALIFORNIA

INSURED SAVINGS
Up to $5,000
Money received on or before the 10th earns from the 1st!
3%
Current Dividend Rate
NORTHWESTERN FEDERAL
SAVINGS & LOAN ASSN.
823 Marquette Avenue
MINNEAPOLIS, MINN.
"A Friendly Institution"

100% SAFETY
Large Reserves
Prime Security
Tested Management
Liberal Return
Each account is also federally insured for safety to $5,000. Savings invested by 10th of month earn in full from 1st of the month.
STANDARD
Federal Savings
AND LOAN ASSOCIATION
735 South Olive Street
Los Angeles • MI-2331
Buy War Bonds Here

SAFE SINCE
1885
•
Latest Dividend
3%
Assets December 31st, 1942
$3,140,024.37
•
CITIZENS' FEDERAL SAVINGS
AND LOAN ASSOCIATION
654 MARKET STREET
SAN FRANCISCO, CALIF.

St. Paul Federal
Savings and Loan Association
St. Paul, Minnesota
Assets $1,998,872.24
Current Dividend Rate
3%
Write for further Information:
AXEL A. OLSON, Exec.-Secretary

Barnett Heads Calif. Savings-Loan League; Fletcher In Navy

Charles K. Fletcher, President of the California Savings and Loan League, has been commissioned in the United States Navy as Lieutenant, senior grade. While on leave of absence from his duties as head of the State trade organization, Vice-President E. L. Barnett will carry on. Mr. Barnett is Secretary of the Santa Rosa Building and Loan Association.

E. L. Barnett

Other officers and directors of the League are: H. R. Erkes, Los Angeles; Mervyn Hope, Hollywood; J. B. Kidwell, San Francisco; Frederick R. Peake, Berkeley; J. Arthur Younger, San Francisco; and Harold A. Noble, Stockton.

Financial Institutions Must Train Leaders For Post-War Demands, Bliss Declares

Financial institutions could take a page out of the recent army developments in training leaders, it was pointed out by George L. Bliss, President of the Railroad Federal Savings and Loan Association, New York City, in an address before the Chapter Officers' conference of the American Savings and Loan Institute in Chicago Monday, Feb. 22. The Institute which is the national educational organization of the savings and loan system brought together the officers of some thirty of its chapters in twenty States to plan their wartime educational program.

Mr. Bliss said that the army has recently developed a realization that education must be a continuous process and that financial institutions must follow this example if their men are going to grow with the institutions for which their is a great promise of post-war expansion.

He suggested that the savings and loan educational organization start training its sights toward an officers' training school following the army lead again, so that those who are qualified to take responsibility may be singled out.

Morton Bodfish, Executive Vice-President of the United States Savings and Loan League, in addressing the group, sixty educational organization leaders in savings and loan, pointed out that days of difficulty and change such as the present provide opportunities for advancement for those who are prepared, ready, willing and able.

Charles L. Plumb, Assistant Treasurer of the Franklin Society for Home Building and Savings, newly elected president of the Institute, welcomed the group, pointing out that the savings and loan associations are serving one out of every twenty persons in the United States. He said that the American Savings and Loan Institute has a definite place in the war effort, mentioning the important fact that they educate savings and loan workers who will take the responsibility for persuading great numbers of people to save money—a most important function in the fight against inflation.

"What we want to do is to keep the framework and foundation of the Institute strong so that we can assume the responsibilities which will naturally come upon this educational body when the war is ended," he said.

Among his suggestions for the Institute program was a Post-war Planning Committee and a National Speaker's Bureau, the latter to help provide speakers in war bond campaigns as well as in general education about the savings and loan business.

The conference discussed the necessity of filling in many routine positions in savings and loan institutions these days with what were termed "duration workers," i.e. people who always shift from one job to another. Pleas were made for the Institute to tailor some of its training courses during the war to take care of the rapid preparation of this type of man or woman for usefulness to the institutions in wartime.

California Savings & Loan League Holds Annual Mid-Winter Conference In Los Angeles

The California Savings & Loan League held its annual mid-winter conference at the Los Angeles Biltmore Hotel, Los Angeles, Calif., on Friday and Saturday, Feb. 19 and 20. Problems of particular importance in the present "war" world and in the post-war years were discussed at the conference.

The program for the morning session of the first day of the conference, with E. L. Barnett, Vice-President of the League, presiding was:

Free Enterprise—Frank P. Doherty, President, Los Angeles Chamber of Commerce.

What Youth May Well Learn About Thrift and Savings—Vierling Kersey, Chairman, Southern California "Schools at War" Education Committee.

Introduction—Frank C. Mortimer, Building and Loan Commissioner.

The State and the Taxpayer—Hon. Earl Warren, Governor of California.

The Federal Home Loan Bank stockholders' meeting was presided over by D. G. Davis, Chairman, and a report by the President, M. M. Hurford, was read, followed by an address by Oscar R. Kreutz, general manager of the Federal Savings and Loan Insurance Corp.

The afternoon session program was as follows:

Fighting Dollars—Arnold Grunigen, Jr., Executive Manager, Victory Fund Committee.

Franchise Taxes—Edward D. Landels, Lawyer.

Legislation and Post-War Planning—Ralph H. Cake, President, U. S. Savings and Loan League.

At dinner the League was addressed by Frederick F. Houser, Lieutenant Governor of California, on "Inside the the Capitol." Mr. Houser was introduced by Assemblyman Franklin J. Potter.

At the morning session on the second day of the conference the following addresses were presented:

Taxes and Savings and Loan—N. Bradford Trenham, Executive Secretary, California Taxpayers' Association.

Housing Legislation Questions and Rent Control—Eugene P. Conser, Secretary, California Apartment Conference.

Some Underlying Factors in the Economic Picture—Benjamin Anderson, Ph.D., Professor of Economics, University of California at Los Angeles.

The afternoon session consisted of a series of brief talks on technical questions, followed by a general discussion.

Legislative Committee Report—Geo. B. Campbell, Chairman.

Federal Ceilings on Salaries—Daniel P. Bryant, Lockheed Aircraft Corp.

A Time for Institutional Advertising—R. W. Caspers, Chairman, Business Development Committee.

Practical Effects of the Soldiers' and Sailors' Civil Relief Act—Richard Fitzpatrick, Lawyer.

Lending Policies Today—J. E. Hoeft, Glendale Federal Savings and Loan Association.

War Bonds—J. Arthur Younger, B. K. Richardson and Hugh H. Evans.

California Savings and Building-Loan Associations

Assets as of December 31, 1942

(Compiled by California Savings and Loan League)

Alameda	
Central B&LA	$5,753,278
Albany	
Albany FS&LA	533,817
Alhambra	
First FS&LA of Alhambra	2,027,603
Mutual B&LA of Alhambra	961,891
Altadena	
First FS&LA of Altadena	3,426,583
Anaheim	
Anaheim B&LA	1,257,532
The Savings, Loan & Building Assn. of Anaheim	1,764,159
Arcadia	
Greater Arcadia B-LA	321,547
Atascadero	
Atascadero Guarantee B-LA	123,215
Auburn	
Central California FS&LA	260,279
Bakersfield	
First FS&LA of Bakersfield	995,068
Kern County Mutual B&LA	1,241,174
Peoples Mutual B&LA	31,118
Banning	
San Gorgonio B-LA	355,443
Bellflower	
First FS&LA of Bellflower	1,981,054
Berkeley	
Berkeley Guarantee B&LA	5,140,792
Community FS&LA of Berkeley	2,550,185
Fidelity Guaranty B&LA	3,057,746
Beverly Hills	
Beverly Hills B&LA	657,782
First FS&LA of Beverly Hills	5,593,562
Southland FS&LA	1,332,212
Burbank	
Burbank B-LA	454,654
Surety Bond B-LA	903,224
Carmel-By-The-Sea	
Carmel B&LA	94,679
Chino	
Chino B&LA	160,069
Chula Vista	
Chula Vista B-LA	732,912
Claremont	
Claremont B&LA	1,306,786
Colton	
Orange Belt FS&LA	1,207,632
Compton	
Compton FS&LA	1,161,359
Corona	
Corona Mutual B&LA	62,709
Coronado	
Coronado FS&LA	1,012,527
Covina	
First FS&LA of San Gabriel Valley	915,498
El Centro	
Imperial Valley B&LA	360,091
Elsinore	
Mutual B&LA of Elsinore	38,713
Escondido	
Escondido FS&LA	316,211
Fillmore	
Ramona B-LA	598,800
Fortuna	
Fortuna B&LA	80,866
Fresno	
Fresno Guarantee B-LA	2,817,276
Fullerton	
First FS&LA of Fullerton	663,138
Fullerton B-LA	228,608
Mutual B&LA	234,277
Glendale	
Fidelity FS&LA of Glendale	875,412
Glendale FS&LA	5,303,246
Hemet	
Hemet FS&LA	259,377
Hollywood	
First FS&LA of Hollywood	4,190,868
Hollywood B&LA	2,561,914
Huntington Park	
First FS&LA of Huntington Park	1,995,388
Huntington Park B-LA	1,355,466
Inglewood	
Inglewood FS&LA	2,795,562
Peoples' B&LA	457,759
Peoples FS&LA	3,862,616
Laguna Beach	
Laguna FS&LA	2,132,908
La Habra	
La Habra Valley B-LA	406,206
La Jolla	
La Jolla FS&LA	1,347,464
Long Beach	
First FS&LA of Long Beach	836,551
Long Beach B&LA	3,591,514
Long Beach FS&LA	9,551,562
Los Angeles	
California FS&LA	5,000,166
Coast FS&LA of Los Angeles	19,633,645
Great Western B&LA	1,224,905
Home B&LA	303,886
Liberty B-LA	258,879
Lincoln B&LA	1,603,381
Los Angeles American B&LA	343,094
Los Angeles FS&LA	5,248,138
Metropolitan FS&LA of Los Angeles	2,368,736
Republic FS&LA	2,277,593
Security FS&LA of Los Angeles	386,986
Southern California B&LA	12,055,066
Southern FS&LA	593,450
Standard FS&LA	2,522,375
State Mutual B&LA	14,624,664
Union FS&LA	1,246,575
Western FS&LA	8,315,076
Wilshire FS&LA of Los Angeles	1,164,775
Madera	
Madera Mutual B&LA	560,703
Marysville	
Marysville Guarantee B&LA	662,819
Merced	
Merced Mutual B&LA	269,295
Modesto	
Modesto B&LA	1,950,930
Monrovia	
Monrovia Mutual B&LA	2,033,287
Monterey	
Educational B&LA	426,092

(Continued on page 751)

NEW YORK LIFE INSURANCE COMPANY

98th Annual Statement to its Policyholders

☆

The accompanying 98th Annual Statement of Condition reflects the consistent policy of the Company to support the government in its war effort, as it has done in past wars, and to give the greatest possible protection to its policyholders.

The following are some pertinent facts relating to the Company's business and its Statement for the year 1942:

1. The assets of the Company were increased during the year by $154,000,000 to a total figure of $3,142,000,000.

2. Of this amount over $1,266,000,000, or approximately 40 per cent of the total assets, are United States Government obligations, the Company having increased its net holdings of these obligations by about $379,000,000 during the year.

3. About 1,270 of the Company's employees and agents are in military service.

4. At the end of 1942 there were over 3,080,000 policies in force representing a total of approximately $7,130,000,000 of life insurance, a net increase of over $117,000,000 during the year. New insurance in 1942 amounted to $403,000,000. Although this is 9½ per cent less than the amount of new insurance paid for in 1941, our active agency force in 1942 was reduced by about 20 per cent, primarily through war service. Lapses and surrenders were the lowest in over twenty years.

5. After making appropriate additions to policy reserves and after writing down the book values of real estate and mortgage loan assets to conservative current valuations, the Company has added $13,813,000 to its Surplus Funds for general contingencies. These funds now exceed $200,000,000.

6. The Company has declared the same scale of annual dividends for 1943 as for 1942. This means that about $32,000,000 in dividends are available for payment to policyholders during the year 1943.

Through periods of prosperity and depression, epidemics, wars, and inevitable post-war adjustments, the New York Life Insurance Company has for the 98 years of its existence made safety its first consideration. In doing so the Company not only has successfully protected its policyholders and their beneficiaries but also has been an important stabilizing factor in the family and economic life of the nation.

A more complete report as of December 31, 1942, containing additional statistical and other information of interest about the Company, will be sent upon request. A list of bonds and preferred and guaranteed stocks owned by the Company is also available. These booklets may be obtained by writing to the New York Life Insurance Company, 51 Madison Avenue, New York, N. Y.

George L. Harrison

President

STATEMENT OF CONDITION

December 31, 1942

ASSETS

Cash on hand or in banks		$57,827,511.14
United States Government obligations		1,266,655,610.00
All other Bonds:		926,260,695.00
State, County and Municipal	$143,930,636.00	
Railroad	270,326,948.00	
Public Utility	356,276,193.00	
Industrial and Miscellaneous	62,858,875.00	
Canadian	92,868,043.00	
Stocks, preferred and guaranteed		85,250,972.00
First Mortgages on Real Estate		414,391,747.22
Policy Loans and Premium Notes		256,337,031.57
Real Estate:		77,501,760.62
Home Office	$13,437,231.00	
Other Properties	64,064,529.62	
Interest and Rents due and accrued		25,613,885.88
Deferred and Uncollected Premiums (net)		31,030,854.75
Other Assets		1,361,985.90
		$3,142,232,054.08

Of the Securities listed in the above statement, Securities valued at $44,527,738.00 are deposited with Government or State authorities as required by law.

LIABILITIES

Reserve for Insurance and Annuity Contracts	$2,507,400,139.00
Present value of amounts not yet due on Supplementary Contracts	212,093,544.26
Policy Claims in process of settlement, or incurred but not yet reported	13,172,607.04
Dividends left with the Company	138,360,197.17
Premiums, Interest and Rents paid in advance	16,176,858.80
Reserved for other Insurance Liabilities	5,300,390.34
Dividends payable during 1943	32,090,061.00
Reserve for fluctuations in Foreign Currencies*	4,000,000.00
Miscellaneous Liabilities	11,885,125.85
Total Liabilities	**$2,940,478,923.46**
Surplus Funds held for general contingencies	**201,753,130.62**
	$3,142,232,054.08

*This reserve is held chiefly against the difference between Canadian currency Assets and Liabilities which are carried at par.

The New York Life Insurance Company has always been a mutual company. It started business on April 12, 1845 and is incorporated under the laws of the State of New York. The Statement of Condition shown above is in accordance with the Annual Statement filed with the New York Insurance Department.

Calendar of New Security Flotations

OFFERINGS

PHILIP MORRIS & CO., LTD., INC.

Philip Morris & Co., Ltd., Inc., has filed a registration statement with the SEC for 105,176 shares of common stock, par $10 per share, and 893,996 full and fractional share subscription warrants evidencing rights to subscribe for such common stock.

Address—119 Fifth Ave., New York City.

Business—Engaged in the business of manufacturing and selling cigarettes and smoking tobaccos. Company's principal product is the cigarette sold under the brand name Philip Morris (English Blend), net sales of which constituted approximately 92¼% of total net sales for the fiscal year ended March 31, 1942, and 93¼% for the nine months ended Dec. 31, 1942.

Offering—As soon as practicable after the effective date of the registration statement. Present holders of common stock are to be offered right to subscribe to the new common at the rate of one share of new common for each 8½ shares of common held. Subscription price is to be supplied by amendment. Such rights are granted to holders of common stock of record at 3 p. m. on the date of issue of the prospectus.

Statement says the board of directors intends to authorize the sale of an issue of 20-year 3% debentures, due March 1, 1963, in an aggregate face amount of approximately $6,000,000. The company intends to sell such debentures shortly after the expiration of the rights to subscribe to the common stock offered hereby.

Underwriting — Lehman Brothers and Glore, Forgan & Co., of New York, head an underwriting group which has agreed to purchase from the company such shares of stock as shall not be subscribed for by stockholders. Price to be paid by the underwriters for the shares and the offering price to the public will be supplied by amendment.

Proceeds—During the nine months ended Dec. 31, 1942, the company's cash requirements have substantially increased. During the period from March 31, 1942, to Dec. 31, 1942, its inventories rose from $53,080,487 to $66,406,270, its net accounts receivable rose from $6,209,719 to $9,011,058, and its net investments in property, plant and equipment rose from $3,650,663 to $3,815,235. During this period the company financed its needs for cash in part by bank loans which at Dec. 31, 1942, amounted to $8,500,000. Proceeds of these loans were added to the company's cash balances and were used to finance in part the increases referred to. It is expected that the proceeds from the sale of stock will be applied to the reduction of the company's bank loans. If the company sells the debentures referred to, to the extent required, the net proceeds from the sale thereof will be applied to the payment of the unpaid balance of these loans and the remainder of such net proceeds will be added to the general working capital of the company.

Registration Statement No. 2-5092. Form A-2 (2-9-43).

In an amendment filed Feb. 18 the price of the new stock to the company's common stockholders was placed at $62 per share. Rights are granted to holders of common stock of record at 3 p. m. Feb. 19 and rights expire March 5.

The underwriters have agreed, subject to terms of the agreement, to purchase the unsubscribed stock at $62 per share. The company has been advised by the underwriters that they have authorized Lehman Brothers and Glore, Forgan & Co., as their representatives, to determine whether a general public offering or any other offering shall be made of part or all of the unsubscribed stock. If such offering is made, it will be made on the New York Stock Exchange (regular way) at market prices; by means of a special offering on such exchange, or in the over-the-counter market. The company will pay to the several underwriters an amount equal to $1.37½ per share in respect of all the 105,176 shares of common stock plus, if the aggregate number of shares of unsubscribed stock purchased by the several underwriters shall be more than 10,517, an additional $1.50 per share for each share so purchased.

The underwriters are Lehman Brothers; Glore, Forgan & Co.; Bear, Stearns & Co.; A. G. Becker & Co., Inc.; Branch, Cabell & Co.; Alex. Brown & Sons; Frank B. Cahn & Co.; Davenport & Co.; R. S. Dickson & Co., Inc.; Dillon, Read & Co.; Dominick & Dominick; Emanuel & Co.; Goldman, Sachs & Co.; Granbery, Marache & Lord; Hallgarten & Co.; Harriman Ripley & Co., Inc.; Ira Haupt & Co.; Hayden, Stone & Co.; Hemphill, Noyes & Co.; Hirsch, Lilienthal & Co.; Hornblower & Weeks; Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.; Lazard Freres & Co.; W. L. Lyons & Co.; Mackubin, Legg & Co.; Laurence M. Marks & Co.; Mason-Hagan, Inc.; Merrill Lynch, Pierce, Fenner & Beane; Paine, Webber, Jackson & Curtis; Reinholdt & Gardner; Riter & Co.; Schwabacher & Co.; Scott & Stringfellow; I. M. Simon & Co.; Stein Bros. & Boyce; Stern Brothers & Co.; Stifel, Nicolaus & Co., Inc.; Swiss American Corp.; Union Securities Corp.; G. H. Walker & Co.; Watling, Lerchen & Co.; Wertheim & Co. and White, Weld & Co.

Registration Statement effective 5 p. m. EWT, on Feb. 19, 1943.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, FEB. 27

CENTRAL STEEL & WIRE CO.

Central Steel & Wire Co. has filed a registration statement with the SEC covering 125,000 shares of common stock, par value $5 per share. The stock is already issued and is being sold for the account of certain stockholders.

Address—3000 West 51st St., Chicago.

Business—The company is in the business of the warehousing, initial processing and distribution of steel and nonferrous metals, and the representation of mills on a commission basis.

Offering—Offering price to the public will be supplied by amendment. It is expected to offer the stock as soon after the effective date of the registration statement as possible. The shares to be offered are at present outstanding and are to be offered for the following accounts: H. R. Curran 108,743 shares and Mandel Lowenstine 16,257 shares. Mr. Curran is at present president and director of the company. He has delivered to the company his resignation as a director and president to be effective upon the sale to the underwriters of the common stock offered hereunder. Statement says that it is anticipated that immediately upon the completion of such sale, Mr. Lowenstine who is at present executive vice-president, treasurer and director, will become president and director of the company.

Underwriting — The underwriters are Paul H. Davis & Co. and Bacon, Whipple & Co., both of Chicago, each with a total of 62,500 shares. Subject to certain terms and conditions the underwriters agree to purchase the common stock at $7 per share from the selling stockholders.

Proceeds—To the selling stockholders.

Registration Statement No. 2-5091. Form A-2 (2-8-43).

THURSDAY, MARCH 4

THIOKOL CORPORATION

Thiokol Corporation has filed a registration statement with the SEC for 102,000 shares of common stock, per value $1 per share.

Address—780 North Clinton Ave., Trenton, N. J.

Business—Company is actively engaged in research looking to the improvement of the qualities of its existing products and to the discovery and development of additional types of "Thiokol" synthetic rubbber.

Offering—The 102,000 shares registered will be offered pro rata to stockholders after the effective date of registration at a price to be fixed by amendment.

Underwriting—On Feb. 3, 1943, the company entered into an underwriting agreement with J. G. White & Co., Inc., which provides among other things that it will amend its certificate of incorporation so that its capitalization will be 500,000 shares of common stock, par $1 per share, of which 204,000 shares will be issued to present stockholders on basis of three shares of $1 par common for each of the 68,000 outstanding shares of common without par value. The company will sell to the underwriters such common stock as are not subscribed for by stockholders at a price to be filed by amendment.

Proceeds—Net proceeds from sale of the shares will be used to increase the company's working capital. Some portion of working capital may be devoted to additional research and development.

Registration Statement No. 2-5093. Form S-1 (2-13-43).

870 SEVENTH AVENUE CORP.

870 Seventh Ave. Corp. has filed a registration statement with SEC for certificates of deposit for $4,055,200 4½% general mortgage (income) bonds.

Address—870 Seventh Ave., N. Y. City.

Business—Hotel.

Offering—Date of proposed call for deposits as soon as practicable after the effective date of registration statement and of a registration statement filed concurrently on Form E-1.

Purpose—To modify bonds under a plan of modification. The agreement provides that the plan shall become automatically effective if at any time prior to May 2, 1943, the holders of 80% in face amount of general mortgage bonds shall have assented thereto; that no right of withdrawal of bonds deposited shall exist prior to May 2, 1943, nor thereafter if the holders of 80% in face amount of general mortgage bonds shall have assented to the plan prior to said date.

Registration Statement No. 2-5094. Form D-1 A (2-13-43).

SATURDAY, MARCH 6

GALVIN MANUFACTURING CORP.

Galvin Manufacturing Corp. has filed a registration statement for 40,000 shares of common stock, par value $1 per share. The shares are issued and outstanding and are being sold for the account of certain stockholders.

Address—4545 Augusta Boulevard, Chicago, Illinois.

Business—Company's normal business is the manufacture and sale of radio receiving sets. Beginning with the year 1942 more and more of company's production capacity was devoted to the manufacture of equipment for various arms of the U. S. Government. In May, 1942, the production of radio receiving sets for civilian use was stopped entirely.

Underwriting—Hickey & Co., Inc., and Paul H. Davis & Co., both of Chicago, are named as underwriters of 20,000 shares each. By an agreement entered into between the underwriters, Paul V. Galvin and Harris Trust & Savings Bank, executors of the estate of Lillian A. Galvin, deceased, the underwriters have agreed to purchase the shares being registered at $7 per share.

Offering—Public offering price is $8.50 per share.

Proceeds—To selling stockholders.

Registration Statement No. 2-5095. Form A-2 (2-15-43).

TUESDAY, MARCH 9

BURLINGTON MILLS CORP.

Burlington Mills Corp. has filed a registration statement for 65,000 shares of 5% cumulative preferred stock, par value $100 per share.

Address—301 North Eugene St., Greensboro, N. C.

Business — Corporation is engaged, directly and through subsidiaries, in manufacturing woven fabrics from rayon yarns and rayon mixtures, and, to some extent, from cotton yards; throwing and dyeing rayon yarns and, to some extent, cotton yarns; dyeing and finishing cloth, and selling the manufactured goods.

Offering—Price to the public will be supplied by amendment.

Underwriting — Lehman Brothers and Kidder, Peabody & Co., both of New York, head the group of underwriters. Price to be paid by the underwriters will be filed by amendment.

Proceeds—Net proceeds will be utilized, to the extent necessary, to redeem on or about April 5, 1943, all shares of cumulative convertible preferred stock, $2.75 series, and cumulative convertible preferred stock, $2.50 series, not theretofore redeemed, converted into common stock, or purchased by the corporation, and any balance will be applied to reimburse the corporation for the redemption price of the 21,725 shares of cumulative convertible preferred stock, $2.75 series, of the corporation called for redemption on March 1, 1943. Proceeds not utilized in the redemption of preferred stock will be added to the working funds of the company.

Registration Statement No. 2-5096. Form A-2 (2-18-43).

INVESTORS FUND, INCORPORATED

Investors Fund, Incorporated, has filed a registration statement with the SEC for an indeterminable number of full paid certificates which will be issued in principal amounts of $100 or more. However, the aggregate principal amount of certificates covered by this registration statement is $500,000.

Address—1016 Baltimore Avenue, Kansas City, Mo.

Business—Investment trust.

Underwriting—Sponsored by Investors Fund, Inc.

Offering—Upon the effective date of the registration statement.

Proceeds—For investment.

Registration Statement No. 2-5097. Form C-1 (2-18-43).

THURSDAY, MARCH 11

WELSBACH ENGINEERING & MANAGEMENT CORP.

Welsbach Engineering & Management Corp. has filed a registration statement with the SEC for $493,000 collateral trust 5% ten-year sinking fund bonds.

Address—1500 Walnut St., Phila., Pa.

Business—Registrant is a holding and managing company which owns all the stock and manages its subsidiaries. These subsidiaries, in part, are engaged in the installation and maintenance of street lighting systems, gas or electric, in approximately 37 cities and communities in New England, Middle Atlantic and Mid-Western States, and in general electric construction work.

Underwriting—Barrett Herrick & Co., Inc., New York City, is named principal underwriter.

Offering—Bonds are to be offered to the public at 83% plus accrued interest from Jan. 1, 1943, to date of delivery.

Proceeds—The estimated proceeds from the sale of the bonds, after deducting underwriting commissions and expenses, will be $345,100. At present the corporation has outstanding $493,000 face amount of 6% collateral trust sinking fund bonds, all of which are held by the United Gas Improvement Co. The UGI has granted Welsbach an option to purchase all of said outstanding bonds exercisable on or before May 15, 1943, for the sum of $345,100 with interest from Jan. 1, 1943. The estimated net proceeds resulting from the sale of the bonds now being registered will be applied to the exercise of this option.

Registration Statement No. 2-5099. Form A-2 (2-20-43).

Jay Tracy, Jr., Joins J. Arthur Warner Co.

(Special to The Financial Chronicle)

BOSTON, MASS. — Jay Tracy, Jr. has become associated with J. Arthur Warner & Co., 89 Devonshire Street. Mr. Tracy for many years has been in business in Boston as an individual dealer in securities.

UP-TOWN AFTER THREE

By BILL SMITH

STAGE

"The Rock," a play by Walter Livingston Faust, starring Billie Burke. Presented by Eddie Dowling at the Longacre Theatre, N. Y. With Zachary Scott, Jane Sterling, Nicholas Joy and others. Staged by Mr. Dowling. (Reviewed Friday, Feb. 19, 1943). . . . If there is anything kind one can say of "The Rock" it escapes me. It's true it brings Billie Burke back to the legitimate stage after an absence of twelve years. It's too bad she did not choose a better role in which to celebrate her return. For the fact is her part could have been handled by any one of a half dozen actresses without adding or detracting from the play itself. With her, of course, "The Rock" will run for a time. Without her it wouldn't have a chance. The story is a hodge podge of comedy and sentimentalism mixed up with class consciousness. A lot of East End kids, evacuees from bombed-out London areas, are billeted with the Stanleys, a shipbuilding family living on a palatial estate. Douglas MacMasters, a ground crew member of the RAF who brings the youngsters, is bitter at the class distinctions which he feels keeps him from flying. He takes his spite out at the Stanleys, particularly the daughter of the house. The dirty youngsters, yelling "cripes" and "bloody," dashing through the house, fill Miss Burke (Mrs. Stanley) with horror and dismay. But eventually she takes them to her heart and fights to keep them. Meanwhile our brash, social-conscious young man and the Stanley girl get together. The kids become perfect little ladies and gentlemen and everybody loses their cockney accents. Through it all Miss Burke flutters, forgetful and addle-brained as ever.

AROUND NEW YORK TOWN

So far as the local dine and drink spots are concerned, New York is assuming boom proportions. In most places, from the chi-chi East Side supper clubs to the cafeteria society West Side night clubs you have your job cut out for you to just get elbow room at the bars without even thinking of getting a table. And if it's a Saturday night, brother, better bring a shoe horn! Of course the service you were accustomed to is out. No more do eagle-eyed waiters snatch your half-finished drink away from you. Not that they're less eagle-eyed, they just can't get through and there isn't that many of them around. But if service is away down, entertainment is away up. Take the **Monte Carlo (E. 54th St.)** as an example. Under Dick Nesbitt its entertainment policy is strictly treadmill in character. Fresh faces, excellent talent, and lots of it, appear here week in and week out. Right now the program consists of Noble & King, who sing better than well. Tony Farrar, who can do the funniest things with his feet. And a couple of girls, Gloria Blake and Virginia Hayes, who warble nicely. To this program Nesbitt has added a girl from the West Coast, a Jean Murphy, who is supposed to be a gorgeous blonde. It is not yet clear whether she sings, juggles or just poses. But Nesbitt, who admits he knows nothing about talent, becomes dreamy eyed when he describes Miss Murphy's physical charms. And speaking of feminine pulchritude, there were three movie scouts at the Monte Carlo the other night vying for the attention of the tiny Frances Chisholm, the diminutive blonde from Nawth Ca'lina who thinks Our Town is "jes' scrumptious!" And Ernest Brooks, trying to get a picture of the proceedings, falling over his big feet.

Investment Trusts

(Continued from page 743)

Distributors Group, Inc., has announced "A New Investment—For Appreciation." This new investment is the recently created Low Priced Shares of Group Securities, Inc. The initial offering price of the new series is $5.00 per share. It is composed of 56 active, low-priced stocks selected to meet the following general specifications:

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3. They have performed well in past bull markets.

Attractive dealer literature, including a large folder, a number of performance charts, and "copy" for a newspaper advertisement, is available on request.

Canadian Securities

(Continued from page 745)

Canada's war record on the production side—her contribution to the fighting power of the United Nations—is good. Investors will ask: What is her record in financing this tremendous effort? The answer is that Canada's financial accomplishments match her production record and give a sound balance to her whole war effort.

Just one example—Canada has raised $991.5 million by means of her Third (and latest) Victory Loan. Of this amount—equivalent to an $11 billion loan for the United States—only $3 million was taken by the banks. Individuals, insurance companies, business firms and corporations were the principal lenders. The money was raised out of the savings of the people—and that is the sound course.

Denies Rollins' Motions

The Securities and Exchange Commission has denied two motions filed with the Commission by E. H. Rollins & Sons, Inc., of New York asking for a bill of particulars and requesting a private hearing and adjournment of the date thereof to about March 31, 1943. The Commission, however, granted a postponement of the hearing from Feb. 23 to March 8 "without prejudice to the right of the respondent to request adjournment at the conclusion of the Commission's case if additional time is required to present its defense."

Proceedings against E. H. Rollins & Sons and its St. Louis Manager, Walter Cecil Rawls, were instituted by the Commission on charges that the company and Mr. Rawls had bought and sold securities for religious and charitable corporations and trustees at prices which were not consonant with prevailing market prices for such securities.

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C. Plumb Nat'l Pres. Of American Savings And Loan Institute

Charles L. Plumb, Assistant Treasurer of the Franklin Society for Home Building and Savings, New York City, was elected National President of the American Savings and Loan Institute for a one-year term by the board of trustees meeting in Chicago, Sunday, February 21. He succeeds Edward J. Webb, Kansas City, as head of the twenty-one year old educational organization of the savings, building and loan associations.

The new First Vice-President is J. E. Barry, Oklahoma City, Secretary-Treasurer of the Oklahoma City Federal Savings and Loan Association; and the Second Vice-President chosen by the trustees is O. Vander Ende, Berkeley, California, Secretary of the Berkeley Guarantee Building and Loan Association.

The Institute also chose six district governors to promote education in finance on the home front. They include: Francis E. Ingalls, Lincoln Cooperative Bank, Lynn, Mass.; John E. Allen, Metropolitan Federal Savings and Loan Assn., Philadelphia, Pa.; Robert W. Almoney, Citizens Federal Savings and Loan Association, Dayton, O.; Mrs. Ruth Lowe, Metropolitan Savings and Loan Association, Milwaukee, Wis.; Edward F. Scanlan, Sixth District Building and Loan Association, New Orleans, La.; P. E. Rosenbarger, First Federal Savings and Loan Association, Bremerton, Wash.

C. E. Wilson Appointed

Donald M. Nelson, Chairman of the War Production Board, announced on Feb. 12 that he has appointed Charles E. Wilson, WPB Vice-Chairman, as his deputy on the Combined Production and Resources Board. This board, which is headed by Mr. Nelson and by Capt. Oliver Lyttelton, British Minister of Production, is charged with responsibility for integrating the production efforts of the United States and the United Kingdom.

Mr. Wilson, who will hold his new position in addition to his post of Production Vice-Chairman of WPB, succeeds James S. Knowlson, who resigned recently to return to private industry, as was noted in our issue of Jan. 28, page 426.

California Savings and Building-Loan Ass'ns

(Continued from page 748)

Montrose	
Intervalley B&LA	881,679
Napa	
Napa B&LA	1,546,324
Newport Beach	
Newport Balboa FS&LA	631,580
North Hollywood	
North Hollywood FS&LA	1,001,161
Oakland	
First FS&LA of Oakland	$2,389,587
Golden West B&L Company	1,454,087
Oakland FS&LA	1,341,445
Prudential B&LA	324,930
Thrift FS&LA	475,601
Oceanside	
Oceanside FS&LA	765,136
Ontario	
Euclid Guarantee B&LA	835,380
Orange	
Orange B&LA	2,400,051
Oxnard	
Oxnard B&LA	604,349
Palo Alto	
Home Foundation B&LA	1,481,899
Palo Alto Mutual B&LA	3,344,700
Pasadena	
Atlas FS&LA of Pasadena	686,905
First FS&LA of Pasadena	3,306,835
Investors Mutual B-LA	2,179,313
Mutual B&LA of Pasadena	4,968,439
Pasadena B&LA	1,123,614
Paso Robles	
Paso Robles Mutual B&LA	347,210
Pico	
Pico-Rivera B-LA	750,353
Pomona	
Home-Builders' Loan Assn.	8,174,399
Pomona First FS&LA	5,254,425
Porterville	
Porterville Mutual B&LA	556,251
Redlands	
Redlands FS&LA	1,763,524
Redondo Beach	
American Mutual B&LA	963,226
Redwood City	
San Mateo County B&LA	1,382,583
Riverside	
Citrus Belt B&LA	662,494
Riverside County Mutual B&LA	1,329,694
Sacramento	
Capital FS&LA	4,284,903
Fort Sutter FS&LA	417,367
Sacramento Guarantee B&LA	1,054,102
Salinas	
Salinas Valley B-LA	642,862
San Bernardino	
First FS&LA of San Bernardino	1,117,951
Santa Fe FS&LA	2,271,220
San Diego	
Central FS&LA of San Diego	1,463,459
First FS&LA of San Diego	4,089,168
Home FS&LA of San Diego	1,710,813
San Diego FS&LA	7,180,121
Silver Gate B&LA	329,099
San Francisco	
Bay View FS&LA	3,048,129
California Sav. & Loan Co.	3,013,235
Citizens' FS&LA	3,140,124
Eureka FS&LA of San Fran.	1,421,187
Franklin Mutual B&LA	1,261,274
Golden Gate FS&LA	1,137,491
Home FS&LA of San Francisco	2,182,702
Home Mutual Deposit-Loan Co.	2,827,434
Provident Mutual Loan Assn.	14,697
San Francisco FS&LA	2,469,283
The Western Loan Assn.	434,353
San Jose	
First FS&LA of San Jose	1,422,152
Guaranty B&LA	6,785,735
Independent B-LA	4,917,103
Nucleus B&LA	3,381,694
San Jose B-LA	5,491,816
Surety B&LA	5,203,101
San Luis Obispo	
First FS&LA of San Luis Obispo	487,039
Guarantee B-LA of San Luis Obispo	670,416
San Mateo	
Peninsula FS&LA	688,046
San Mateo Mutual B&LA	913,079
San Pedro	
First FS&LA of San Pedro	517,258
San Rafael	
Marin County Mutual B&LA	356,428
Santa Ana	
First FS&LA of Sant Ana	1,467,375
Santa Ana B&LA	1,928,241
Santa Barbara	
First FS&LA of Santa Barbara	2,954,748
The L. & Bldg. Assn. of Santa Barbara	2,738,564
Santa Barbara Mutual B&LA	6,581,574
Santa Clara	
Santa Clara B&LA	703,125
Santa Cruz	
Santa Cruz County B&LA	1,798,262
Santa Maria	
Santa Maria Guarantee B-LA	798,288
Santa Monica	
Century FS&LA	1,473,193
First FS&LA of Santa Monica	1,492,285
Santa Paula	
Santa Paula B&LA	749,001
Santa Rosa	
Santa Rosa B&LA	1,343,407
Sausalito	
Northwestern B&LA	721,804
The Sausalito Mutual Loan Assn.	147,382
Sonora	
Sonora Guarantee B-LA	260,782
South Pasadena	
First FS&LA of So. Pasadena	821,462
Stockton	
San Joaquin B&LA	2,554,436
State B&LA	2,449,275
Stockton Land, Loan & Bldg. Assn.	3,100,131
Tulare	
Guarantee B-L Corp. of Tulare	162,329
Tulare FS&LA	444,573
Turlock	
Turlock Guarantee B-LA	1,462,217
Upland	
Magnolia FS&LA of Upland	391,496
Van Nuys	
Provident B-LA	1,108,221
San Fernando Valley FS&LA	1,722,323
Visalia	
Visalia B&LA	433,677
Watsonville	
Watsonville FS&LA	625,495
Whittier	
Quaker City FS&LA	2,725,936
Whittier B&LA	2,356,897
Wilmington	
First FS&LA of Wilmington	336,720
Wilmington Mutual B&LA	551,505
Total for California	$354,991,193

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SEC Declares Large Volume Of Savings Present Definite Threat Of Inflation

(Continued from first page)

other sizable portion of this money constitutes funds laid aside for a 'rainy day.' However, these additions to cash on hand and in checking accounts also represent in considerable part temporary and relatively unstable accumulations of funds which may at any time be diverted into consumption and other channels. If such funds continue to grow at the present rate, the control of inflationary tendencies will become increasingly difficult.

"Purchases of Federal government securities by individuals in the fourth quarter reached a high point of $3,300,000,000, compared with $2,800,000,000 in the preceding quarter.§ War Savings Bonds again accounted for the major part of such purchases, rising from $2,100,000,000 to $2,300,000,000; tax notes and marketable securities, including issues offered during the Victory Loan drive in December, accounted for $1,000,000,000, compared with $700,000,000 in the preceding quarter. For the year 1942, individuals purchased $10,300,000,000 of Government securities, including $8,000,000,000 in War Savings Bonds.

"Individuals' debt other than mortgages, which had been incurred mainly in the purchase of automobiles and other durable consumers' goods, was again reduced considerably, due principally to the low level of purchases of such goods and, to a lesser extent, to the restrictions on the extension of credit. However, this reduction, amounting to $400,000,000,¶ was much less than the rate in the first three quarters of the year. Saving in this form will probably continue to tail off in 1943. For 1942 as a whole, such indebtedness was decreased by $2,800,000,000, the highest for any year on record.

"Among other items of individuals' saving, additions to time deposits in the fourth quarter amounted to nearly $500,000,000. Individuals' equity in private insurance, mostly life insurance, increased by close to $700,000,000 in this quarter, representing a small increase over their saving in this form in the preceding quarter. For the year as a whole saving in the form of private insurance amounted to $2,400,000,000, another new record. There was only a small rise in individuals' mortgage debt, reflecting the comparatively small amount of new private housing. In 1943, there will probably be a fairly sizable reduction in such debt as a result of restrictions on new construction. Finally, there was little change in individuals' holdings of corporate securities during the fourth quarter. There was a sizable decline in corporate securities outstanding amounting to $300,000,000, resulting in part from provisions of the Revenue Act of 1942, but this was offset by a reduction in institutional portfolios."

---

§The figures include purchases by unincorporated business other than brokers and dealers whose purchases were financed by bank loans.

¶This does not include the reduction in consumers' indebtedness to unincorporated business, amounting to about $100,000,000 in the fourth quarter of 1942, and $600,000,000 in the year as a whole.

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MBA Calls For Mtg. Insurance System

That the establishment of a system of mortgage insurance for farm mortgages similar to that in effect for Federal Housing Administration residence loans would serve as added protection against a recurrence of inflation in land values, such as occurred after the last world war, is suggested in a report of the Farm Loan Committee of the Mortgage Bankers Association of America. The report to be presented at the organization's Board of Governors winter meeting in Chicago, today, Feb. 25, was released Feb. 21 by Charles A. Mullenix, Cleveland, Association President. A draft had been previously presented by S. M. Waters, Minneapolis, Farm Loan Committee Chairman and former Association President, at the winter meeting in Chicago of the special National Agricultural Credit Committee organized about two years ago by Gov. A. G. Black of the Farm Credit Administration to study possible inflationary trends in land values. This latter committee is composed of representatives of national banking associations, government agencies interested in farm credit, farm organizations and many other business, financial and agricultural groups.

Mr. Mullenix declared he believed that the current discussion of liquidating Federal agencies, the need for which has long since disappeared, has an indirect relation to this farm credit problem because the Federal government is continuing to subsidize Federal land bank mortgage loans to the extent of around a $100,000,000 annually even though private and institutional investors would be glad to get more good farm mortgages today. The Committee's report says that if a nation-wide system of mortgage insurance for farm mortgages, "based upon independent appraisal for insurance purposes, could be established under a favorable attitude of the Federal Loaning Agencies it would solve most of the problems of the farm lending business, particularly those which of late have tended to raise both business and political issues between the government lending agencies and private investors."

Among the points cited by the Committee in favor of this innovation in farm mortgage banking was the assertion that such a system would greatly increase the supply of private funds available for this field. More uniform rates of interest, a minimum of service charges and more standardized practices in securing and servicing loans would result, it declares.

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The Business Man's Bookshelf

Germany's Master Plan—Joseph Borkin and Charles A. Welsh with an introduction by Thurman Arnold—Duell, Sloan and Pearce, Inc., 270 Madison Ave., New York City—Cloth—$2.50.

Inflation And Investment Policy—A. M. Clifford—A. M. Clifford & Associates, 639 So. Spring Street, Los Angeles, Calif.—Paper.

We Cannot Escape History—John T. Whitaker—The Macmillan Company, 60 Fifth Avenue, New York, N. Y.—Cloth—$2.75 (published March 9, 1943).

Alberta Province Bonds Attractive Speculation

Province of Alberta bonds offer attractive possibilities for current and post-war investment, according to an interesting circular issued by Charles King & Co., 61 Broadway, New York City, which states that this is a provincial bond returning 3% to 4% at half interest rate with good speculative possibilities.

Tremendous developments are now taking place in the Province, the circular says, pointing out that, although the production of crude oil in Alberta set a new record in 1942 for the seventh consecutive year, intensive exploration and development in this field is currently engaging the attention of some of the major oil companies in the country. Still undeveloped are the massive tar and sand areas of Northern Alberta which are believed to contain perhaps the greatest known oil reserves on the North American Continent. Also viewed as contributing importantly to the economic expansion of the Province is the Alaska Highway, which has been opened for military traffic since November, 1942. The finishing and future development of the highway should benefit the Province importantly, the circular states, in view of the fact that most feeder highways and railroads are situated in Alberta.

It is only a matter of time, according to Charles King & Co., before the whole debt of the Province is settled and its credit established on a basis commensurate with its income and resources. Copies of the circular may be had from the investment firm upon request.

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The Commercial and
FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4154 New York, N. Y., Thursday, February 25, 1943 Price 60 Cents a Copy

THE FINANCIAL SITUATION

Another of the apparently never-ending "crises" in the War Production Board has passed. Not long ago the vexatious rubber program was disclosed as not proceeding according to schedule and around this situation there raged another of those internal controversies within the WPB which was finally "settled" by Mr. Byrnes, whose official functions, technically speaking at any rate, were far removed from such matters. The fuel oil hardships which the eastern part of the country, particularly New England, have had to bear must in the final analysis be charged against this same Board. Meanwhile, the manpower situation has evidently gotten badly out of hand with the result, among many others, that our food supply is in real danger. The so-called "economic stabilization" program, which has never functioned effectively, is evidently in grave difficulties. The innumerable restrictions and regulations, including rationing in its wide ramifications, appear to be succeeding chiefly in impressing the public with the "horrible mess" into which national affairs in the broader sense of the term appear to have fallen.

What Is The Trouble?

What is the root of the trouble? Evidently, it is not merely a matter of making poor choices of men to give effect to these various programs. Without any question a great many blunders of precisely this nature have been made, but it is likewise a fact that some of the ablest executives in the country—men with matchless records in the business community—have been called to Washington, and have responded with the best that was in them. These latter have, however, more often than not found it impossible to function in Washington with a fraction of the success they had regularly attained in private life. Nor is it evidently wholly a matter of faulty organization, although here, too, operations have often left much to be desired. The fact remains, however, that good organization appears to be about as vulnerable to the Washington atmosphere as the poor.

Neither can the current landslide of difficulties be ascribed, as is so often done by the superficial analyst, to "conflict" between military authorities and representatives of the civilian population. Such a conflict probably gives

(Continued on page 755)

Some Questions

"The regulation issued under this order with my approval was so worded that it affected only gross salaries in excess of $67,200, the amount of taxes due upon such salaries reducing them to approximately $25,000 net. I could not exercise the discretion vested in me by the Congress to adjust salaries without finding that it is a gross inequity in wartime to permit one man to receive a salary in excess of $67,200 a year while the Government is drafting another man and requiring him to serve with the armed forces for $600 per year.

"I believed it a gross inequity for the president of a corporation engaged in the production of materials for the Government to receive a salary and bonus of $500,000 a year while the workers in the corporation were denied an increase in wages under the provisions of the law and my Executive Order."—The President of the United States.

Where are those $500,000 executives who seem to trouble the President's peace of mind?

So far as the public is aware they could be counted on the fingers of one hand—probably with several fingers unemployed.

And what do they have left after paying their Federal income tax under existing law?

Around $60,000 absolute tops—with many other taxes still to pay.

Why the $67,200 gross, or $25,000 net, figure? How soon are the CIO and the President likely to demand lower figures?

And when did wage increases cease?

State Social Security Expansion Detrimental To Nation's Welfare

The fact that "the institution of life insurance in this country has shown itself capable of a wholesome and mature growth so as to meet each new set of circumstances in which an insurable interest could reasonably be discerned, delimited and secured," was pointed out by Thomas I. Parkinson, President of the Equitable Life Assurance Society of the United States, in addressing the annual meeting of the Society's Board of Directors on February 18. In declaring that "we must emphasize the possibilities of detriment to the future welfare of our country if the expansion of State social security threatens the absorption of co-operative institutions such as life insurance companies," Mr. Parkinson said:

"For a time, perhaps, and particularly in such matters as acquisition costs and the collection of premiums, a compulsory State system can claim some advantage over a voluntary insurance institution but in the long run any such advantage even from the point of view of economy will be more than overcome by the demonstrated economies of non-political management of the life companies as compared with the demonstrated waste and costliness of bureaucratic administration." He added:

"There is also the equally important question of good faith. The State is too often presumed by legislative and administrative authorities to be tied down by contractual obligation. Examples are all too numerous of reserves, set up with an impressive elaboration of protective formulas, melting away into the general funds from which they were so jealously intended to be segregated."

Mr. Parkinson in his remarks had something to say with respect to the social security plan of Sir William Beveridge, as to which he stated:

"Great Britain now has before it for public discussion a carefully formulated report of the arguments in favor of the establishment in that country of a comprehensive system of social insurance. The fact that recommendations of this character could be put forward at all within such relatively few years, since official representatives of Great Britain at international gatherings declared such organic and comprehensive system to be essentially irreconcilable with the spirit and tradition of its institutions, indicates the extent to which a conviction has grown with respect to the collective obligations of society as a whole toward its individual members.

"No less does it illustrate the readiness of public authority, ever eager to find new sources of revenue, to assume presently a financial obligation to be discharged in the future without due regard for the details of such future performance.

"Within the coming year, it is more than probable that in the United States we shall have a great deal of discussion of the necessity for instituting a comparable system of all-inclusive social security in this country.

"There is involved in any consideration of such a system the future of individual freedom. A compulsory system of State social insurance is one from which no individual may be excused and from which every individual must expect direction as to the use of his productive effort, his leisure, and his savings. The State, ever preoccupied with the well-being of the marginal population, can seldom long remain content to concentrate its attention upon the arduous task of educating that margin to the level of constructive cooperation. Sooner or later, the State covers the indifferent success of its effort in that direction by seeking to bring the rest of society into the range of still more ambitious unification and standardization.

"Social insurance on the massive scale contemplated on the other side of the Atlantic and doubtless in due course to be proposed for adoption by the Federal Government of the United States could not long tolerate the competition of voluntary efforts purely co-operative in character and design to reconcile the interests of freedom and security through the skilled management of voluntary savings."

Mr. Parkinson pointed out that Group Insurance, in particular, has met more and more of those very situations which the State is supposed, by advocates of State social insurance, to be alone capable of dealing. In addition to Group Life Insurance, which the Equitable originated as far back as 1911, he noted that protection

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*These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in August 27, 1942, "Chronicle.")

Miscellaneous

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From Washington Ahead Of The News

By CARLISLE BARGERON

Everywhere your correspondent has been recently, people want to know whether John L. Lewis is washed up. There have been magazine stories written on the subject pro and con. Well, I saw the gentleman a few days ago and instead of a washed up man he seemed to be just about the most confident individual I have run into for a long time. I have seen beaten men in my time, I think I know their timid and apologetic air. Lewis didn't have either.

As to what makes him so confident, I don't know. But here is one thing that could, and the information didn't come from him. A short while ago, and the story hasn't leaked out to the newspapers, the executive committee of the United Automobile Workers, the largest organization remaining in what is left of the CIO, voted only 9 to 8 against withdrawing from the CIO and tying up with Lewis. Manifestly, on the basis of this, Lewis' position in the labor movement is not so tenuous as it is supposed to have been.

This information which the Administration undoubtedly knows, must give a lot of grief to it. Because the widely advertised effort of Lewis, impending, to break the Little Steel formula, is largely of the Administration's doings. It is a fact that in some sections of the anthracite coal regions, Lewis has been personally unpopular for years. That has been no secret to Washington political observers for a long time.

But it did surprise them several weeks ago when a large group of these miners defied the Great Leader's leadership. The plain fact is that they would have never become so emboldened had there not been political stirring up forces behind them. They took advantage of the New Deal smear campaign against Lewis, and of course, this campaign is being inspired by the political forces who took $500,000 from him in the 1936 Presidential campaign and would now like to ruin him because he split with the New Deal.

Lewis has always been Lewis. He is no different now than he was at the time he set out to or-

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Editorial—

Where Britain Gets Her Revenue

NORMAN CRUMP

Editor's Note—This article is carried because of our belief that our readers would be interested in knowing how today's war economy has affected the citizens of Great Britain. It does not, of course, follow that simply because Great Britain has seen fit to inaugurate such a tax program that we should follow suit. In any event, it is the "Chronicle's" opinion that unless our Government broadens the tax base materially it might as well abandon all thought of paying off the national debt in terms of present dollars. It should be borne in mind, too, that too great a tax burden (on corporations included) is detrimental to the entire economy of the country, politics to the contrary nowithstanding. Norman Crump, author of this article on Britain's finances, is statistical editor of the London "Financial Times" and the former editor of the London "Sunday Times."

It is generally recognized that total war demands a rigorous curtailment of individual consumption and spending, in order to liberate labor, materials and machinery for the manufacture of weapons and munitions. It is not always realized that this process equally involves a major redistribution of incomes. On the one hand, those in receipt of large incomes find them heavily reduced by war taxation. On the other hand, scores of workers, who were unemployed or working part-time before the war, are now in full employment and are often working overtime. This process is intensified because numbers of men with relatively large professional incomes are now enrolled in the services and other kinds of war work, and are therefore earning much smaller incomes.

Details illustrating the incidence of taxation were recently given by Sir Kingsley Wood, the Chancellor of the Exchequer. He first dealt with the larger incomes, and the following table shows the number of taxpayers falling within the various ranges of **net** income. It must be emphasized that the phrase "**net** income" means the amount of income left to the taxpayer **after** he has paid his income tax and sur-tax. Thus if a taxpayer earned £2,000 ($8,000) a year gross both in 1939 and 1942, and paid in taxes £400 ($1,600) in 1938 and £800 ($3,200) in 1942, then his net income would be reduced from £1,600 ($6,400) to £1,200 ($4,800).

Net Income Range	—No. of Taxpayers—	
	1938	1942
£1,000 to £2,000	155,000	105,000
£2,000 to £4,000	56,000	30,750
£4,000 to £6,000	12,000	1,170
£5,000 and over	7,000	80

To take the extreme case, there are now only 80 people in the country with an income of over £6,000 ($24,000) left to them, after they have paid their income tax and sur-tax.

The curtailment of consumption among the "rich" may often be even greater than this table suggests. Most wealthy people have unavoidable commitments, such as rent, local taxation, insurances, pensions to dependents, and so on. If these, too, are deducted from the taxpayer's net income, the result is that in a number of cases, the individual concerned finds that he has no income left at all, and so, rich as he apparently is, has to draw on his capital in order to pay his living expenses.

Well may Sir Kingsley Wood say that there is practically nothing more to be got out of the rich, and that if he took every penny of income above £2,000 ($8,000) from those whose incomes exceeded £2,000, he would only get a further £30,000,000 ($120,000,000) in all.

Now for the other side of the picture. Sir Kingsley Wood states that the total amount left **after** payment of tax in the incomes between £125 ($500) and £500 ($2,000) a year had increased since 1938 by no less than £700,000,000 ($2,800,000,000). From an official document published last July I have deduced the following table:

Aggregate **gross** inc. of all people earn. bet. £125 & £500		Total paid by them		Aggregate **net** inc. of these people, after paying tax	
		(All figures in £ millions)			
1938	1942	1938	1942	1938	1942
1,850	2,815	23	268	1,827	2,547

Their total gross income has risen by £965 ($3,860) millions, and their liability to income tax by £245 ($980) millions. Their net income has increased by £720 ($2,880) millions, or by about Sir Kingsley Wood's round sum of £700 ($2,800) millions.

Sir Kingsley added that 85% of the nation's total net purchasing power was now in the hands of those earning less than £500 ($2,000) a year. It is to these lower incomes that he must look for any additional tax revenue. Also any fresh curtailments in spending and consumption necessitated by the war will have mainly to be made by the people within this income range, who also comprise the vast majority of the nation.

The culmination of Sir Kingsley Wood's argument was that the nation must not be content to pay taxes. It must also save and lend to the Government. And the nation is doing so. During the first three years of the war "small savings" had totaled £1,500 ($6,000) millions. That equals £500 ($2,000) millions a year, or approaching twice the sum paid by the "small taxpayers" in income tax. This is a fine achievement, but it does not leave Sir Kingsley Wood content. The growth in the note circulation since the outbreak of war, from about £500 ($2,000) to £830 ($3,320) millions, has occurred partly because people hoard savings in currency instead of investing them in savings certificates or defense bonds. Sir Kingsley Wood wants to see these hoards invested.

Meanwhile a welcome has been given to the Anglo-American exchange of notes, setting out the basis of "reciprocal lend-lease." Even the British public do not fully realize that lend-lease has become a multi-lateral movement, with innumerable ramifications among the United Nations. Full gratitude is felt for American lend-lease supplies to Great Britain; and the magnitude and supreme importance of the United Nations' supplies to Russia is equally realized. But the official American list of British lend-lease supplies to the United States has come as a surprise.

The British people now know that their barrage balloons are floating over Californian cities, and that their A.A. guns are helping to defend the Panama Canal. American soldiers in Europe are having their uniforms made in British factories, British builders and laborers are building American camps, British repair depots are looking after American equipment. Great Britain is sharing her war experience and technical secrets with the United States. Nor too must Australian aid to American forces in the Pacific be overlooked. Wherever American troops are, throughout the British Empire, they are being served on the spot as part of British lend-lease.

So far the British public have hardly thought about it. They take it for granted that the war efforts of all the United Nations are pooled as circumstances and needs require. Nor too does the British public always remember that British pre-lend-lease purchases, paid for in cash, gave the American war industries a flying start. As the U. S. Office of War Information recalls, total British Empire cash purchases since September, 1939, total $7,000 million, or a great deal more than total U. S. lend-lease deliveries to Britain so far.

All this is money well spent. Without it American industry would not be able to deliver the present volume of "tools with which to finish the job." Sir Kingsley Wood's statement shows how Great Britain is finding the money both to finance her own war effort and to supplement lend-lease supplies from overseas.

The State Of Trade

Reports received from industrial areas continue to reflect operations at or near peak levels. Steel operations in the United States this week are scheduled at 98.9% of capacity, against 99.5% last week, a decrease of 0.6%, the American Iron & Steel Institute reports. The scheduled rates indicate production of 1,691,900 tons for the current week, against 1,702,100 tons for the preceding week.

A month ago the rate was 98.6%, with tonnage of 1,686,700, and a year ago the rate was 96.3% and production 1,635,800 tons.

Electric power production for the week ended Feb. 13 was 3,939,708,000 kilowatt-hours, an increase of 15.1% over the 3,421,639,000 of the comparable week last year, and a slight decline from the 3,960,242,000 kwh. reported in the previous week.

While power requirements of war industries were greater in 1942 than in 1941, these demands did not reach anticipated levels, Charles Y. Freeman, Chairman of the Commonwealth Edison Co., reveals.

"Every indication points to a further increase in the use of power by war industries in 1943," he stated, "particularly when the new large war plants are placed in full operation. While it is impossible to estimate accurately the offsetting of further lessening of non-war activity, the peak demands on the facilities of the company and its subsidiaries are expected to increase considerably during 1943."

Loading of revenue freight for the week ended Feb. 13 totaled 764,950 cars, according to the Association of American Railroads. This was an increase of 9,564 cars from the preceding week this year, 17,751 cars fewer than the corresponding week in 1942 and 43,774 cars above the same period two years ago.

This total was 122.94% of the average loadings for the corresponding week of the 10 preceding years.

Glowing reports came from the retail trade this week. The consumer buying rush for ready-to-wear continued the outstanding feature of business activity this week as retail volume, at 20 to 25% over 1942, scored the largest increases in almost a year, according to Dun & Bradstreet, Inc. Lifted by the rapid increase in apparel volume, total dollar sales surpassed by far the previous record scored last year at this time.

The Southwest and Pacific Coast continued to lead other sections of the country with gains of 35 to 42 and 28 to 36%, respectively. Other regional percentage increases were: New England, 13 to 18; East, 13 to 16; mid-West, 20 to 27; Northwest, 20 to 23, and South, 26 to 30.

Department store sales throughout the country during the week ended Feb. 13 advanced 45% over the same week of 1942, according to the Federal Reserve Bank. This is one of the largest percentage gains ever recorded. For the four weeks ended Feb. 13, sales were 16% above the same period last year.

Every Federal Reserve District throughout the nation reported gains ranging from 22% for New York to 107% for Dallas, Texas.

In commenting on the situation, observers stated that apparently the unexpected action of the OPA recently in instituting shoe rationing had been interpreted by large sections of the public as a forerunner of similar edicts respecting other wearing apparel.

A preliminary compilation of 1942 annual reports now released indicates that average net income of industrial companies was approximately 22% below that of 1941. The first 85 important companies to report earned a total of $383,000,000, against $492,000,000 a year earlier.

However, the steel and iron group has been disproportionately represented in this preliminary summary, with the earnings of such companies accounting for almost 40% of the total. Since the steel industry showed an exceptionally wide earnings decline—34%—a more representative compilation, which will be possible later, will doubtless show a narrower composite earnings drop than is now indicated. An aggregate decline of 20% seems a reasonable expectation, authoritative sources state.

Several industries were able to increase earnings last year. The leather and shoe industry, textiles, tires, baking and coal are principal examples.

Reflecting higher rates under the 1942 Revenue Act, as well as somewhat increased taxable earnings, total tax provision by these 85 industrial companies increased by 42%. Taxes are indicated to have taken approximately two-thirds of available net, whereas in 1941 they amounted to little more than half of taxable net. Federal taxes were more than double the amount available for stockholders.

Schwartz And Leiserson On Mediation Board

President Roosevelt nominated on Feb. 11, Harry H. Schwartz and William M. Leiserson to be members of the National Mediation Board. Mr. Schwartz, former Democratic Senator from Wyoming, was named to fill a vacancy on the Board created by the resignation of Otto S. Beyer. He was nominated for the remainder of the term expiring Feb. 1, 1944. Mr. Leiserson, former Chairman of the Mediation Board and now a member of the National Labor Relations Board, was named for a term expiring Feb. 1, 1946. He has been a member of the NLRB since May, 1939, and will succeed David J. Lewis, former Democratic Representative from Maryland, whose term expired Feb. 1.

Mr. Beyer, in a letter to the President requested that his resignation be made effective as of Feb. 8, because, he indicated, his present duties as a member of the War Manpower Commission and as Director of the Division of Transport Personnel of the Office of Defense Transportation, demanded his full time.

Risk Loans For War Crops

Secretary of Agriculture Wickard announced on Feb. 5, that the Agriculture Department has established a $200,000,000 war-time food production loan program, under which the government will assume losses from crop failures on products needed for the war.

The Associated Press in its Washington advices said:

> Farmers planting designated crops may borrow funds to cover planting, cultivating and harvesting. They will be obligated to repay only to the extent of the value of the crops produced.
>
> In the event of a complete failure, the loan will be canceled. Crops on which the loans are offered include those involving high production risks, or those which farmers would not otherwise grow. Loans will be made by the County Agricultural War Boards from funds provided by the Regional Agricultural Credit Corporation.

THE FINANCIAL SITUATION

(Continued from first page)

trouble at points, but is more or less inevitable in the circumstances. There was such a conflict in World War I, and there probably will always be such a conflict in times of total war. It did not, however, seriously disrupt proceedings 25 years ago, and should not do so now. Indeed, one of the reasons for such organizations as have been created to manage the larger aspects of the war effort was, of course, to deal with precisely this situation. The reason they have not been able to do so effectively, as well as the cause of shortcomings in many other directions, is to be found deeply imbedded in the existing situation. It will not be removed by changes in personnel or by any of the other tactics so far employed.

Trying To Do Too Much

First of all, the national government is trying to do too much. The President's penchant for almost universal public control centered in Washington has led him into a maze of regulations, restrictions, directives, and what not, for which neither the government nor the people were prepared. Continual expansion of the areas of government control and steadily increasing centralization of that control in Washington have from the first been a cardinal element in New Deal philosophy and management. However much the President and his supporters excoriate Fascism and Nazism—but not Communism—it has always been their policy to follow the lead of these systems in this matter of trying to bring the entire nation under their control and management. With our entry into the war, this obsession flared up fiercely and what opposition there was tended to melt into increasing ineffectiveness.

More and more of the nation's activities and more and more of the lives of the people have been taken into hands that have always itched to write directives. It is conceded, of course, that in times such as these, substantial controls are essential, but there is a point beyond which control, far from adding to the effectiveness of our war effort, definitely tends to disrupt and reduce it. This point has long ago been reached and passed. It has swamped officialdom with tasks whose weight and whose minutiae would be beyond the ablest in a country unaccustomed to Germanic or Russian regimentation. It has robbed the war effort in substantial and wholly unnecessary degree of the invaluable initiative and ingenuity of large sections of an industrial personnel noted the world over for its ability to get things done. It has occupied the time of that personnel with literally endless red tape and confusing regulations. It has created conditions under which no system can hope to function at its best. The wonder is that it has been able to function as well as it has.

Weakness At The Top

That wonder grows with any study of the conditions under which this over-grown regulatory system has been obliged to work. Competent observers on the spot have often asserted that what the War Production Board needed was a top executive who could come promptly and firmly to decisions concerning the multitude of questions which must inevitably reach him. It appears plain that this organization suffers from the lack of such a head—as all organizations must if they do not have it—but it seems to us to be an open question whether this defect is to be attributed solely to the personal characteristics of Mr. Nelson. Above Mr. Nelson stands the President who seems not to have it in him really to delegate full authority—no matter what the documents say—and to stand by those to whom authority is delegated.

Observation and experience have both doubtless taught Mr. Nelson that when the going grows tough, the President's ear is open to Mr. Hopkins, Mr. Byrnes and others, and that these ultimate advisers of the President can always be approached by underlings in his organization who have apparently been placed there for such a purpose. An official of one of the leading farm organizations not long ago publicly charged that certain individuals had been placed in the Department of Agriculture to nullify or hold in check the Secretary who is ostensibly responsible for the conduct of that branch of the Government. It may well be so. At any rate it is well-known that the offices of the War Production Board (and without question many of the other war agencies in Washington) harbor political "commissars" who are currently alleged by competent observers to be largely responsible for the endless difficulties of inner organization and functioning by which that agency has been beset from the first.

Competent Executive Needed

For our part, we should like to see the War Production Board headed by an individual who made his own decisions and stood by them until such time as he was over-ruled—and then like a British Cabinet resign. It seems to us that in this way the responsibility would be clearly established where it ultimately rests in any event—with the President himself. But whether such procedure on the part of Mr. Nelson would result in more effective functioning of the War Production Board, so long as the present incumbent is in the White House may be open to question. In the last analysis, neither this war agency or any of the others is likely to carry its load even as well as circumstances otherwise would permit until the President himself shows more of the traits of a really competent executive.

It is necessary to bear this fact in mind at all times when appraising the situation in Washington.

Freight Traffic By Railroads Declined In December With More Freight Cars Used

The average load per car of less-than-carload freight carried by Class 1 railroads declined from 20,704 pounds in November to 20,294 pounds in December, the Office of Defense Transportation announced on Feb. 19. Total volume of merchandise freight handled by Class 1 carriers, which amounted to 8,080,377,157 pounds in November, dropped to 7,970,811,532 pounds in December, but the number of cars used in the movement rose from 390,278 to 392,776, resulting in a lower average load per car. The December average of 20,294 pounds was slightly above the 10-ton minimum prescribed since Sept. 1, under ODT's General Order No. 1, for loadings of l-c-l freight.

ODT officials said the decline in the volume of merchandise freight handled by the 116 reporting Class I roads was considerably less than normal for December. They attributed the drop in average loadings per car partly to the smaller volume of freight handled, but principally to the utilization for merchandise loadings of cars which otherwise would have moved as empties. Such utilization occurred primarily in the case of the return movement of refrigerator cars to the West Coast, Texas, and Florida. It was pointed out that since refrigerator cars have a smaller capacity than box cars, their use for merchandise loadings on return movements while making for more efficient car utilization, lowers the average l-c-l load per car.

During December, Class II and Class III steam railways, including switching and terminal companies, transported 396,000 pounds more merchandise freight than in November but used 103 fewer cars, with a resultant increase in average load per car from 17,646 pounds in November to 17,930 pounds in December.

While the average load of merchandise freight per car, for all classes of electric railways, declined from 15,781 pounds in November to 14,966 pounds in December, the latter figure was considerably above the average of 13,684 pounds recorded by such railways for the period from May through October, 1942.

The ODT said that in all cases where carriers failed to reach the 10-ton minimum, the freight was loaded under exceptions to the general order.

The volume of merchandise freight handled by freight forwarding companies showed a contra-seasonal increase in December, rising to a total of 492,249,480 pounds from a total of 463,172,319 pounds in November. The average load per car, however, declined from 41,939 pounds in November to 41,477 pounds in December. The lower average load per car of merchandise handled by freight forwarders in December was still more than 4,000 pounds above the average of 37,262 pounds for the six-month period from May through October.

Jan. Living Cost Up 0.4%

Living costs of wage earners and lower-salaried clerical workers in the United States continued their upward progress with a rise of 0.4% in January, according to the National Industrial Conference Board. The Board in its advices Feb. 11 added:

"Food prices again rose, this time 0.7% over December, but the largest increase in January occurred in fuel and light which was 1.2% higher than in December, due entirely to a 1.8% rise in the retail price of coal. Sundries were up 0.2%, while all other items remained unchanged.

"The Board's index of the cost of living (1923=100) stood at 101.4 in January as compared with 101.0 in December, 100.3 in November, 99.7 in October, 98.6 in September, 98.1 in August, 93.2 in December, 1941, and 86.0 in January, 1941.

"The level of living costs was 7.3% higher than that of a year ago. Food showed the greatest advance over January, 1942, with an increase of 14.6%. Other advances during the twelve months were: clothing, 7.5%; sundries, 4.0%; housing, 0.8%; and fuel and light, 1.6%.

"The purchasing value of the dollar, which amounted to 99.0 cents in December, declined to 98.6 cents in January. It stood at 99.7 in November, 100.3 cents in October and 105.8 cents a year ago."

Pass Mineral Loans Bills

The Senate passed on Feb. 15 a bill authorizing the Reconstruction Finance Corporation to make loans to those desiring to engage in producing minerals of value to the United States in time of war. The measure, which now goes to the House, broadens the RFC's mineral development powers in that it permits loans to companies planning to go into business.

On Feb. 15 the Senate passed another bill designed to encourage more mining operations. The measure, which also goes to the House, suspends for the duration, a provision of existing law which requires, as a condition to the making of certain mining loans, an advance RFC finding that mining operations made possible by such loans will probably result in a profit.

To Aid Sugar Beet Growers

Secretary of Agriculture Wickard announced on Feb. 10 a program which is designed to assist sugar beet growers in meeting their 1943 production goals.

According to the announcement, the program, to be implemented by contracts between the Commodity Credit Corporation and sugar beet processors, will, without an increase in ceiling prices of sugar, assure growers for their 1943 crop an increase of $1.50 per ton over the price received for 1942 crop sugar beets of standard quality (16.5% succrose). It is estimated that returns to growers from the 1942 crop will average about $9.25 to $9.50 per ton for average quality beets, and on this basis returns for the 1943 crop should average around $11 per ton. The advices from the CCC also state:

"Under the program, the CCC will offer through sugar processors to purchase sugar beets from farmers at about $1.50 per ton above the estimated levels applicable with respect to the 1942 crop for beets of average quality and in turn, sell such beets to processors on the basis of sugar prices prevailing during the last six months of 1942.

"The program would provide that processors pay to the CCC all market returns from the sale of sugar above the level used in computing the resale value of sugar beets to the processors. If the increase of such returns plus the amount at which the CCC sells the beets back to the processors exceeds the amount at which beets are purchased from farmers, the CCC will use such excess to make supplemental payments to processors. These supplemental payments would be based on the processor's proportionate share of all beet sugar produced from the 1943 crop, and would be divided equitably with beet growers.

"Processors will be expected to maintain the usual arrangements with growers regarding financing seed, deliveries, labor procurements, field advice and other services."

Peruvian Govt. Subscribes To Atlantic Charter

The Peruvian Government on Feb. 8, adhered to the principles of the Atlantic Charter, describing the action as "testimony of a resolution to intensify collaboration with the free peoples of the world."

According to United Press advices from Lima, Peru's action was not expected to result in admission to the United Nations, which comprise nations at war with the Axis.

The Atlantic Charter is a declaration of eight principles drawn up by President Roosevelt and Prime Minister Churchill of Great Britain in August, 1941 (see these columns of Aug. 16, 1941, page 915).

U. S. And Cuba Agree On Reciprocal Draft Rules

The United States and Cuba have concluded an agreement providing for a reciprocal treatment of citizens under military service laws. Advices from Washington Feb. 11 to the New York "Times" stated:

"Under the agreement the United States will permit Cubans and nationals of co-belligerent countries who have registered in this country and have not declared their intentions of becoming American citizens to elect to serve in the Cuban forces at any time prior to their induction into the United States armed forces. Those already serving in our forces may transfer to the Cuban forces.

"Cuba will grant reciprocal treatment to Americans."

Private Enterprise And Capital Needed For Post-War Rehabilitation, Says NAM President

Discussing "Free Competitive Enterprise and the Common Man" before the Economic Club of Detroit on Feb. 15, Frederick C. Crawford, President of the National Association of Manufacturers Crawford, President of the National Association of Manufacturers, abroad, . . . is one for free competitive enterprise." Mr. Crawford, who is President of Thompson Products Inc. of Cleveland quoted recent references to free enterprise made by Vice-President Wallace, Thurman Arnold and others, and in offering his own definition of the term, said:

"Free enterprise is a term used to describe the freedom of the individual to assume responsibility for production upon his own initiative, spurred on by competition and restrained only by governmental policing in the general welfare, and stimulated by a free flow of capital.

"Management believes that its definition of free competitive enterprise is shared by the overwhelming majority of the American people. They like it because it has advanced the lot of the common man in this country far above that in any other nation. It is part of the warp and woof of the American way of life."

In part, Mr. Crawford went on to say:

"We must plan a permanent peace in which a sound economy can thus function. It is the prime obligation of American business management to see that American free enterprise functions to the utmost in a world made safe for peace.

"It is a big job. Management is not asleep to this obligation. It is hard at work preparing itself for the task.

"Management is ready and anxious to join with government and all groups to produce a blue print of progress, instead of a confusing welter of many plans.

"With vast pent-up domestic demands, new world markets, astounding new research developments, the engineering progress of the war period as a basis for the enterprise system to function, the outlook is not drab but glowing, not discouraging but inspiring to the best efforts.

"One of those efforts of management is to become more international-trade-minded. This requires careful re-inspection of our whole attitude towards world trade.

"We must recognize that complete self-sufficiency is not a sound ideal even though the protective tariff will remain a valid device to insure America the industries which, for strategic or other reasons, should be maintained within our boundaries.

"If we want a market in China, Russia, India and other nations for the goods we can produce the best, obviously we must not bar those nations from our own market.

"If we're going to fight as a world nation, we must trade like one, as well. Diplomatic peace and economic warfare cannot live side by side.

"The transition where the protection seems justified, should be gradual, but business recognizes that it will face a new situation in the post-war world, and that past traditions are not necessarily valid guides.

"On the other hand, government will have to recognize that if American industry is to compete in the market place of the world it cannot have fostered upon it any unnecessary restrictions and regulations which arbitrarily increase the cost of production.

"Much clear thinking is needed from both industry and government before a policy is determined.

"However, our rehabilitation problem is not one alone of sheer efficiency or sheer inventive genius. A whole world will have to be rebuilt. Our own industries will have to be re-converted. Industries in the war torn countries will have to be rebuilt.

"The job will require the investment of astronomical sums of capital. Whether we can do it or not—whether we shall have real prosperity or a real depression in the post-war—depends in great measure on whether venture capital can be encouraged to come out of hiding.

"For government cannot supply this missing capital. It has no capital of its own. Its only resources are the taxable incomes of its citizens, and the income of its citizens depends upon the productivity of private enterprise.

"Government financed economic rehabilitation for the world can be undertaken only at the expense of the taxpayer. The taxpayer who has cheerfully carried a crushing burden to insure victory expects and will demand relief from that burden as soon as practicable after victory has been achieved.

"Private capital can do the job and will, if permitted. But private capital's ability to assume the responsibility depends upon the encouragement given by government to private investment. Many policies in effect not only in the war period but in the years preceding the war will have to be drastically modified or abandoned.

"There are many factors responsible for the dearth of new investments.

"The present tax laws impose heavy burdens on corporate financing, both through the high normal and excess profits rates and through the sharply progressive rates on individual incomes. These taxes may be justified during a war period. If they are continued in the postwar period, they will stifle private investment.

"Needed SEC regulations have been ridiculously extended as the playground for reformers.

"One of the main stabilizers of investment would be found in a more harmonious relationship between the men who run the nation's politics and the men who run the nation's plants.

"The lack of it is destructive to public confidence in both.

"For if this country is going anywhere it must go together—government, industry, labor farmer—all with a confidence in each other and the nation's future.

"Vice-President Wallace has the right idea when he says that in a successful post-war period "individual initiative and enterprise and government responsibility for general welfare will continue to pull in double harness for a better life for all people.

"He can make tremendous contribution toward the accomplishment of that goal if, in the near future, he will reassure America that the 'initiative and enterprise' of which he speaks are the same initiative and enterprise which I have tried to outline tonight."

Dismisses Silk Suit Against Commodity Ex.

The suit attacking the legality of the plan adopted by the Commodity Exchange, Inc., and the Commodity Exchange Silk Clearing Association, Inc., for the settlement and liquidation of raw silk futures contracts outstanding when trading was suspended in July, 1941, was dismissed on Feb. 10 by Federal Judge Alfred C. Coxe of the U. S. District Court for the Southern District of New York.

Regarding the suit the New York "Journal of Commerce" stated:

Under the method adopted by the Commodity Exchange, Inc., outstanding contracts were ordered liquidated on the basis of the closing prices when trading was suspended on July 25, 1941, following the action taken by governmental agencies freezing silk and placing a ceiling on raw silk.

Mitsui & Co., Ltd., attacked the legality of the plan's adoption and sought a court injunction enjoining its operation and the recovery of about $350,000 which it had deposited as "variation" margin on 418 silk futures contracts. While the action was pending Leo T. Crowley, Allen Property Custodian, was substituted as plaintiff and 238 of the contracts were settled reducing the amount of recovery sought to approximately $150,000.

Judge Coxe ruled that the Exchange had power under its constitution, by-laws and rules to compel its members to suspend trading and accept reasonable settlement of their outstanding contracts.

The case was referred to in our issue of Oct. 30, 1941, page 834.

Casablanca Plans Call For Invasion Of Europe And Decisive Action Against Japan: Roosevelt

President Roosevelt reported to the nation on Feb. 12, that the decisions reached and the plans made at the Casablanca conference call for "actual invasions of the continent of Europe" and "great and decisive actions" against the Japanese.

In his first war review since his "unconditional surrender" conference with Prime Minister Churchill, the President promised that "the pressure on Germany and Italy will be constant and unrelenting" and that "important actions will be taken in the skies over China and over Japan itself."

Mr. Roosevelt made these declarations in a nation-wide radio address on the occasion of the annual dinner of the White House Correspondents Association in Washington.

The President said the thought uppermost in "our minds" is "our determination to fight this war through to the finish—to the day when United Nations forces march in triumph through the streets of Berlin, Rome and Tokyo."

Mr. Roosevelt warned that unless the peace that follows the war "recognizes that the whole world is one neighborhood and does justice to the whole human race, the germs of another world war will remain as a constant threat to mankind."

As to his talks with the troops in North Africa and other areas, the President said that they had received many varying reports about the state of the home front, pertaining to labor troubles, farm profiteering, rationing and political quarrels, but that he had assured them that "most of these reports are just gross exaggerations" and that the "people as a whole in the United States are in this war to see it through with heart and body and soul." He added that a fundamental of an effective peace is the assurance that the fighting men will have jobs to return to after the war, expressing the belief that private enterprise will provide the vast majority of those jobs and Congress assure the rest. The President criticized those professional skeptics who say this cannot be accomplished, calling them "pettifoggers."

With regard to the massing of armies for the coming battle of Tunisia, Mr. Roosevelt said the prime purpose "is to drive our enemies into the sea," at the same time warning that the battle "will cost us heavily in casualties." However, he added, the consequences of Allied victory in Tunisia "are actual invasions of the Continent of Europe."

The President also noted in his talk that the unity of Frenchmen outside of France is gaining strength "to strike a blow for liberation." He further said that French sovereignty rests with the people of France. Its expression has been temporarily suspended by German occupation. Once the triumphant armies of the United Nations have expelled the common foe, Frenchmen will be represented by a government of their own popular choice.

Explaining that the Casablanca conference was not confined to any one theatre of war, Mr. Roosevelt asserted that "before this year is out it will be made known to the world . . . that the Casablanca conference produced plenty of news; and it will be bad news for the Germans and Italians —and the Japanese.

As for the Pacific zone, the President said:

"We do not expect to spend the time it would take to bring Japan to final defeat merely by inching our way from island to island across the vast expanse of the Pacific . . . .

"There are many roads which lead to Tokio. We shall neglect none of them."

The text of the President's address follows, according to the Associated Press:

It is nearly two years since I attended the last dinner of the White House Correspondents Association. A great deal of water has flowed over the dam since then.

And several people have flown over the water.

Two years ago—many months before Pearl Harbor—I spoke to you of the thought that was then uppermost in our minds—of the determination of America to become the arsenal of democracy. Almost all Americans had by that time determined to play their full part in helping to save civilization from the barbarians. Even then, we were in the midst of the historic job of production—a job which the American people have been performing with zest and skill and, above all, success.

Tonight, as I speak to you, another thought is uppermost in our minds: That is our determination to fight this war through to the finish—to the day when United Nations forces march in triumph through the streets of Berlin, Rome, and Tokyo.

Last September I made a tour of inspection through this country. I saw war plants at work. I saw Army and Navy training camps and flying fields. I saw American men and women—management and labor alike—working to beat production schedules. I saw American soldiers and sailors and fliers doing the job of training for the fighting which lay ahead.

Now I have returned from one of the fronts overseas, where the production from American factories and the training given in American camps are being applied in actual warfare against the enemy. I have seen our troops in the field. I have inspected their superb equipment. I have talked and laughed and eaten with them.

I have seen our men—the Nation's men—in Trinidad, in Belen and Natal in Brazil, in Liberia, in Gambia. In these places there is no actual fighting, but there is hard, dangerous essential work, and there is a tremendous strain upon the endurance and spirit of our troops.

They are standing up magnificently under that strain. I have seen our men—and some of our American women — in North Africa. Out there is war. Those men know that before this war is over, many of them will have given their lives. But they know also that they are fighting to destroy the power of the enemies of their country—that they are fighting for a peace which will be real and lasting peace and a far better world for the future.

Our men in the field are worthy of the great faith, the high hopes, we have placed in them. That applies as well to the men of our Navy, without whom no American expeditionary force could land safely on foreign shores. And it applies equally to the men of our Merchant Marine, who carry essential munitions and supplies, without which neither the United States nor our Allies could continue the battle.

No American can look at these men, soldiers or sailors, without great emotion and great pride and a very deep sense of responsibility to them.

Because of the necessary secrecy of my trip, the men of our armed forces in every place I visited were completely surprised. The expression on their faces certainly showed it.

I wish that I could pay similar surprise visits to our men in the other fields of operation — the naval bases, the islands of the Pacific, Australia, the mainland and islands of Alaska, the islands of the Atlantic, the two Guianas, the Canal Zone, Iceland, Britain, Central Africa, the Middle East, India, Burma and China. I wish I could tell them face to face that their Government and their people are very proud of the great job they are doing in helping to strengthen the vise that is slowly but surely squeezing the breath out of our enemies.

In every battalion and in every ship's crew you will find every kind of American citizen representing every occupation, every section, every origin, every religion, every political viewpoint.

Ask them what they are fighting for, and every one of them will say: "I am fighting for my country." Ask them what they really mean by that and you will get what, on the surface, may seem to be a wide variety of answers.

One will say he is fighting for the right to say what he pleases and to read and listen to what he likes.

Another will say he is fighting because he never wants to see the Nazi swastika flying over the First Baptist Church on Elm St.

Another soldier will say he is fighting for the right to work and earn three square meals a day for himself and his folks.

A fourth soldier will say he is fighting in this world war so that his children and grandchildren will not have to go back to Europe or Africa or Asia to do this ugly job all over again.

But all these answers really add up to the same thing—every American fights for freedom. And today the personal freedom of every American and his family depends, and the future will increasingly depend, upon the freedom of his neighbors in other lands.

For today the whole world is one neighborhood. That is why this war, which had its beginnings in seemingly remote areas, has spread to every continent and most of the islands of the sea, involving the lives and the liberties of the entire human race. And unless the peace that follows recognizes that the whole world is one neighborhood and does justice to the whole human race, the germs of another world war will remain as a constant threat to mankind.

I talked with many people in our armed forces—along the coast and through the islands of the Western Hemisphere and up the coast of West Africa. Many of our soldiers and sailors were concerned about the state of the home front.

They receive all kinds of exaggerated reports and rumors that there is too much complaining here at home and too little recognition of the realities of war; that selfish labor leaders are threatening to call strikes which would greatly curtail the output of our war industries; that some farm groups are trying to profiteer on prices and are letting us down on food production; that many people are bitter over the hardships of rationing and priorities; and especially that there are serious partisan political quarrels over the petty things of life here in Washington.

I told them that most of these reports are just gross exaggerations; that the people as a whole in the United States are in this war to see it through with heart and body and soul; and that our population is willing and glad to give up some of their shoes and sugar, and coffee and automobile riding—and privileges and profits—for the sake of the common cause.

I could not deny to our troops that a few chiselers, a few politicians and a few publicists—fortunately a very few—have placed their personal ambition or greed above the nation's interests.

Our troops know that the Nazis and Fascists and Japanese are trying hard to sell the untruths of propaganda to certain types of Americans. But our troops also know that even if you pile a lot of molehills of deception one on top of the other, you still cannot make a mountain big enough or solid enough to fool many people, or to block the road to victory and to an effective peace.

A fundamental of an effective peace is the assurance to those men who are fighting our battles, that when they come home they will find a country with an economy firm enough and fair enough to provide jobs for all those who are willing to work.

I am certain that private enterprise will be able to provide the vast majority of those jobs—and, in those cases where this cannot be accomplished, that the Congress will pass the legislation which will make good the assurance of jobs.

There are still a few who say we cannot achieve this and other honorable, reasonable aims for the post-war world. In speaking of these professional skeptics—these men of little faith—there comes to my mind an old word in our language—the word—"pettifoggers."

The formal, dictionary definition and derivation of the word are neither here nor there. To most of us it brings to mind a man who is small and mean and tricky and picayune and in a word—petty. It is the type of man who is always seeking to create a smoke screen, or fog, for the purpose of obscuring the plain truth.

Today, the pettifoggers are attempting to obscure the essential truths of this war. They are seeking to befog the present and the future and the clear purposes and high principles for which the free world now maintains the promise of undimmed victory.

In North Africa we are now massing armies—British, French and American — for one of the major battles of this war.

The enemy's purpose in the battle of Tunisia is to hold at all costs their last bridgehead in Africa, to prevent us from gaining access to the straits that lead to Nazi-dominated Europe.

Our prime purpose in this battle of Tunisia is to drive our enemies into the sea.

The British First Army in this battle, commanded by General Anderson, contains many veterans of Flanders and Dunkerque. These men have a score to settle with the Nazis.

The British Eighth Army, commanded by General Montgomery, has to its eternal credit the smashing defeat of Marshal Rommel's army and the now historic 1,500-mile pursuit of these once triumphant Nazi-Fascist forces.

The enemy in Tunisia will be attacked from the south by this great Eighth Army and by the French forces who have made a remarkable march all the way across the Sahara Desert under General Le Clerc, one of General de Gaulle's officers. From the west the enemy will be attacked by the combined forces of British and Americans, together with French troops under the command of General Giraud.

All these forces are commanded by General Eisenhower. I spent many hours in Casablanca with this young general—a descendant of Kansas pioneers. I know what a fine, tough job he has done and how carefully and skillfully he is directing the soldiers under him. I want to say to you tonight—and to him—that we have every confidence in his leadership. High tribute was paid to his qualities as a soldier when the British Government, through Mr. Churchill, took the lead at Casablanca in proposing him for the supreme command of the great Allied operations which are imminent.

The deputy to General Eisenhower is General Alexander, one of Britain's greatest fighting men. General Alexander commanded all British forces in the Middle East, including the Eighth Army which won the decisive battle at El Alamein. He and General Montgomery planned that engagement and the tremendous advance which followed it. At this moment—as I speak to you tonight—General Alexander is standing at the right hand of General Eisenhower planning new military operations.

These important facts reveal not merely co-operation but active collaboration between the United Nations. Let these facts be duly noted by our enemies.

Our soldiers in Tunisia are well trained and equipped, but they are facing for the first time actual combat with formidable opponents. We can be absolutely certain that they will conduct themselves as bravely and as effectively as did those young Americans under General Pershing who drove Germany's best troops through the Argonne forest and across the River Meuse.

The battle of Tunisia will cost us heavily in casualties. We must face that fact now, with the same calm courage as our men are facing it on the battlefield itself.

The enemy has strong forces in strong positions. His supply lines are maintained at great cost but Hitler has been willing to pay that cost for he knows the consequences of Allied victory in Tunisia.

These consequences are actual invasions of the Continent of Europe. We do not disguise our intention to make these invasions. The pressure on Germany and Italy will be constant and unrelenting. The amazing Russian armies in the east have been delivering overpowering blows; we must do likewise in the west. The enemy must be hit and hit hard from so many directions that he never knows which is his bow and which is his stern.

It was made clear to us at Casablanca that all Frenchmen outside of France are uniting in one great paramount objective — the complete liberation of France and of all the French people who now suffer the torture of the Nazi yoke. As each day passes a spirit of unselfishness is more greatly uniting all Frenchmen who have the opportunity to strike a blow for liberation.

In the years of the American and French revolutions the fundamental principle guiding our democracies was established. The cornerstone of our whole democratic edifice was the principle that from the people and the people alone flows the authority of Government.

It is one of our war aims, as expressed in the Atlantic Charter, that the conquered populations of today be again the masters of their destiny. There must be no doubt anywhere that it is the unalterable purpose of the United Nations to restore to conquered people their sacred rights.

French sovereignty rests with the people of France. Its expression has been temporarily suspended by German occupation. Once the triumphant armies of the United Nations have expelled the common foe, Frenchmen will be represented by a Government of their own popular choice.

It will be a free choice in every sense. No nation in all the world that is free to make a choice is going to set itself up under the Fascist form of government, or the Nazi form of government or the Japanese warlord form of government. Such forms are the offspring of seizure of power followed by the abridgement of freedom. Therefore, the United Nations can properly say of these forms of government two simple words: "Never again."

The right of self-determination included in the Atlantic Charter does not carry with it the right of any government to commit wholesale murder or the right to make slaves of its own people or of any other peoples in the world.

And the world can rest assured that this total war—this sacrifice of lives all over the globe—is not being carried on for the purpose or even with the remotest idea of keeping the Quislings or Lavals in power anywhere on this earth.

The decisions reached and the actual plans made at Casablanca were not confined to any one theatre of war or to any one continent or ocean or sea. Before this year is out, it will be made known to the world—in actions rather than in words—that the Casablanca conference produced plenty of news; and it will be bad news for the Germans and Italians—and the Japanese.

We have lately concluded a long, hard battle in the southwest Pacific and we have made notable gains. That battle started in the Solomons and New Guinea last summer. It has demonstrated our superior power in planes and, most importantly, in the fighting qualities of our individual soldiers and sailors.

American armed forces in the southwest Pacific are receiving powerful aid from Australia and New Zealand and also directly from the British themselves.

We do not expect to spend the time it would take to bring Japan to final defeat merely by inching our way forward from island to island across the vast expanse of the Pacific.

Great and decisive actions against the Japanese will be taken to drive the invader from the soil of China. Important actions will be taken in the skies over China—and over Japan itself.

The discussions at Casablanca have been continued in Chungking with the Generalissimo by General Arnold and have resulted in definite plans for offensive operations.

There are many roads which lead right to Tokyo. We shall neglect none of them.

In an attempt to ward off the inevitable disaster, the Axis propagandists are trying all of their old tricks in order to divide the United Nations. They seek to create the idea that if we win this war, Russia, England, China and the United States are going to get into a cat-and-dog fight.

This is their final effort to turn one nation against another, in the vain hope that they may settle with one or two at a time—that any of us may be so gullible and so forgetful as to be duped into making "deals" at the expense of our allies.

To these panicky attempts to escape the consequences of their crimes we say—all the United Nations say—that the only terms on which we shall deal with any Axis government or any Axis factions are the terms proclaimed at Casablanca: "Unconditional surrender." In our uncompromising policy we mean no harm to the common people of the Axis Nations. But we do mean to impose punishment and retribution in full upon their guilty, barbaric leaders.

The Nazis must be frantic indeed if they believe that they can devise any propaganda which would turn the British and American and Chinese governments and peoples against Russia—or Russia against the rest of us.

The overwhelming courage and endurance of the Russian people in withstanding and hurling back the invaders—and the genius with which their great armies have been directed and led by Mr. Stalin and their military commanders — all speak for themselves.

The tragedy of the war has sharpened the vision of the leadership and peoples of all the United Nations and I can say to you from my own full knowledge that they see the utter necessity of our standing together after the war to obtain a peace based on principles of permanence.

You can be quite sure that if Japan should be the first of the Axis partners to fall, the total efforts and resources of all the United Nations would be concentrated on the job of crushing Germany.

And, on the other hand, lest there by any question in Nazi or Japanese minds that we are wholly one in the prosecution of the war to a complete victory all over the world, the Prime Minister wished to make a formal agreement that if Germany should be conquered before Japan, all British Empire resources and manpower would, of course, join with China and us in an out-and-out final attack on Japan.

I told him that no formal statement or agreement along these lines was in the least bit necessary—that the American people accept the word of a great English gentleman—and that it was obvious and clear that all of us are completely in accord in our determination to destroy the forces of barbarism in Asia and in Europe and in Africa.

In other words—our policy toward our Japanese enemies is precisely the same as our policy toward our Nazi enemies. It is a policy of fighting hard on all fronts and ending the war as quickly as we can on the uncompromising terms of unconditional surrender.

Today is the anniversary of the birth of a great, plain American. The living memory of Abraham Lincoln is now honored and cherished by all of our people, wherever they may be, and by men and women and children throughout the British Commonwealth, and the Soviet Union, and the Republic of China, and in every land on earth where people love freedom and will give their lives for freedom.

President Lincoln said in 1862, "Fellow citizens, we cannot escape history. We of this Congress and this Administration will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us, in honor or dishonor, to the latest generation."

Today, 80 years after Lincoln delivered that message, the fires of war are blazing across the whole horizon of mankind—from Kharkov to Kunming—from the Mediterranean to the Coral Sea—from Berlin to Tokyo.

Again—we cannot escape history. We have supreme confidence that with the help of God honor will prevail. We have faith that future generations will know that here, in the middle of the Twentieth Century, there came the time when men of good will found a way to unite and produce and fight to destroy the forces of ignorance, intolerance, slavery and war.

Prime Minister Churchill, in the House of Commons on Feb. 11 presented a review of the course of the Allies, stating that "the dominating aim which we set before ourselves in the conference at Casablanca was to engage the enemy's forces on land, sea and air on the largest possible scale and at the earliest possible moment." Among other statements in his presentments to the House of Commons, Mr. Churchill said:

"It was only after full, cold sober and mature consideration of all these facts on which our lives and liberties would certainly depend that the President, with my full concurrence as an agent of the War Cabinet, decided that the time note of the Casablanca conference should be the unconditional surrender of all our foes.

"Our inflexible insistence upon an unconditional surrender does not mean we shall stain our victorious arms by any wrong and cruel treatment of whole populations. But justice must be done upon the wicked and the guilty, and within her appropriate bounds justice must be stern and implacable. No vestige of Nazi or Fascist power or of the Japanese war plotting machine will be left by us when the work is done, as done it certainly will be."

More War Contracts Awarded Small Plants

About 43,000 contracts were placed by the seven Army supply services during November and December with plants having 500 employees or less, according to figures announced by the National Industrial Conference Board, based on information supplied by the War Department. This figure compares with 53,000 such contracts in effect in plants of this size on Sept. 1, 1942.

At the beginning of September, according to the Board, plants of this size had received 20.8% of the dollar volume of outstanding War Department contracts. In November such plants received 23.7% of all new Army orders. In December the figure rose to 24.1%.

The Board's announcement further explained:

"In December, 11,183 supply contracts, or 44.6% of the total number placed went to plants with less than 100 employees. The dollar value of these contracts totaled $98,000,000 or 8% of the total amount placed in that month.

"On a dollar basis both the Chemical Warfare Service and the Medical Corps each assigned more than half of their December contracts to firms with 500 employees or less, while the Medical Corps placed 20.3% with plants having less than 100 employees.

"The Quartermaster Corps has placed 11.9% of their contracts on a dollar basis with companies with less than 100 employees, and 26.7% with other firms having between 100 and 500 employees.

"The Corps of Engineers placed 6.1% of its contracts on a value basis with plants having less than 100 employees, and 24.9% with others having between 100 and 500 employees.

"The other Army supply services placed most of their contracts with larger companies."

Tribute To Lincoln

President Roosevelt paid tribute on Feb. 12 to the memory of Abraham Lincoln at a brief ceremony at the Lincoln Memorial in Washington. The President stood by as military aides placed a wreath at the foot of Lincoln's statue. He was accompanied by Mrs. Roosevelt, Maj. Gen. Edwin M. Watson, his military aide, and Rear Admiral Wilson Brown, his new naval aide.

Armed Forces Need 4,000,000 Men This Year—Dependency Ruled Out As Draft Deferment

Approximately 12,000 men must be inducted daily into the armed forces, or 4,000,000 before the end of this year, thus necessitating the drafting of all physically qualified men between 18 and 38 years, regardless of dependency, if they are not engaged in essential work and can be replaced. This was revealed on Feb. 13 in radio addresses by Paul V. McNutt, Chairman of the War Manpower Commission, and Maj. Gen. Lewis B. Hershey, Director of Selective Service.

Chairman McNutt, in emphasizing the huge size of the armed forces, said:

"In a week's time we are putting into uniform seven full divisions—in a month, twenty-eight divisions. This year alone, the number of men inducted will approach in size the entire American Army in the first world war."

Pointing out that "we are now scraping the bottom of the barrel on single men," Mr. McNutt said that the drafting of heads of families can no longer be delayed and that "it is now largely a choice between married men and vital workers." He disclosed that at the beginning of this year there were a total of 22,000,000 men of draft age and that of this total many are now in the service, others have been and will be rejected for physical reasons. Deferments for vital farm work will total 1,500,000 and 1,000,000 for "other highly important jobs." Mr. McNutt further explained that these are the reasons for the recent WMC list of 36 non-deferable activities and 29 occupations and that still others will be named "as the situation demands it." He cautioned, however, against guessing as to when these new lists will appear and urged those now in necessary jobs not to shift "just for the sake of shifting." Persons on the non-deferable list, the Chairman said, should register with the U. S. Employment Service for other work. "If you do this, if you make an honest effort to get into more urgent work either in civilian or war activities, you have no reason to fear an immediate change in your draft status," he added.

In his talk, Gen. Hershey said: "The need for men has now reached a place where we must be sure that no registrant is deferred, if he is engaged in work which can be suspended or which can be done by an over-aged man, or physically less fit or by a woman.

"The national interest requires that all physically qualified registrants, between 18 and 38 must be in the armed forces or in activities and occupations which contribute directly or indirectly to the war effort, or to the national health, safety or interest. The national interest will not permit us to induct a man who is in a war job and cannot be replaced even though he be unskilled and permit another man to remain who can be replaced merely because he has a wife and one or more children.

"There cân be no question about which of these must accept his military liability first.

"The great majority of the physically fit, except the farmers, between 18 and 38 years of age must go into the armed forces this year. It is most important that those who have jobs in our war industries be left until they can be replaced in order to maintain production. The demands for men this year leave us no choice. The majority of men this year must come from those with dependents."

Expansion Of State Social Security Held Detrimental To Future Welfare Of Nation

(Continued from first page)

is now provided for workers through Group Insurance against the hazards of accident and health, dismemberment, hospital and surgical expenses, and for old age needs. The extent to which these more recent Group services have expanded is indicated by the fact that in 1942 the Equitable Society paid benefits of $39,000,000 to workers and their families under these various coverages. From Mr. Parkinson's remarks we also quote:

"In the last 20 years, there has been relatively rapid development of the theory that society as a whole must accept responsibility for the protection of its individual members against the economic and social consequences of all the contingencies to which men are subject. The concept of social insurance took root early in the 19th Century in the discussions and the writings of pioneer social theorists. On the Continent of Europe, programs of a comprehensive sort were subsequently tried. In the years following World War I, sustained efforts were made to arrive at international agreements with respect to such programs of social insurance as an integral part of competitive national economic systems.

"The institution of life insurance was developed as essentially a democratic middle class institution. Consoling as is the recent praise of the middle class by men eminent in public affairs, not all of it appears aware of the essential characteristic of that highly selective category of society. Universal uniformity is neither the mark nor the objective of the middle class. Its emphasis is upon freedom and upon confidence in the inviolability of contracts and the subordination of administrative agencies to basic principles laid down by legislative bodies under the general mandate of all classes.

"The members of the middle class have been the builders of civilization and the makers of free governments. They have been men and women of energy, experience and initiative. They have faced risks and overcome them. They have not been dependent on the government of the day and they have not looked to the representatives of government for help. On the contrary, their efforts have provided the government its means of existence and with the funds by which it has provided for those less able to take care of themselves. It is these independent, courageous self-supporting folks who constitute the middle class in all nations and all periods and it is these middle class folks who have developed life insurance as an instrument well suited to their voluntary co-operative and non-political security for themselves and their dependents.

"It will be for the middle class of this country to determine, and to determine in lasting fashion, after the most searching consideration of what is involved, whether one of its foremost institutions, the collective management of voluntary savings in mutual life insurance companies, is to be given up in return for the bureaucratic idea of a State monopoly, the controls of which must, in the nature of the case, be political with all that this implies as to the handling of compulsory assessments. A system in which the individual takes his place automatically and by no exercise of his own will and effort, is a system neither calculated to safeguard freedom, nor enhance security."

No Clothes Rationing Say WPB And OPA

The Government has no intention at the present time to ration clothing, since there is no shortage of clothing and therefore no need for rationing, it was announced on Feb. 9 in a joint statement issued by Donald M. Nelson, Chairman of the War Production Board, and Prentiss M. Brown, Federal Price Administrator.

Mr. Nelson reasserted this viewpoint at a press conference on Feb. 12 in an effort to halt "scare buying" of clothing in some parts of the country. He added that "runs on stores are the surest way to bring on rationing," but that it would not come about "unless it becomes absolutely necessary."

The run on clothing stores developed after the rationing of shoes was announced on Feb. 7.

The joint statement issued by Mr. Nelson and Mr. Brown follows:

"Announcement of shoe rationing appears to have stimulated scare buying in some parts of the country. Such buying is unnecessary.

"Supplies of wool in the United States are larger by several hundred million pounds than they were when the Japs struck at Pearl Harbor. At the present time there is no shortage of clothing and therefore no need for rationing.

"The War Production Board has not directed the Office of Price Administration to undertake the rationing of clothing.

"The Office of Price Administration has set up no machinery for rationing clothing.

"A continuance of overbuying can create temporary maldistribution of clothing stocks, and its only effect is to handicap those with a legitimate need for new clothes. It is contrary to the best interests of the war program, and is totally unnecessary for the protection of the individual."

Shoes Rationed At Three Pairs A Year

Rationing of shoes to make certain that the American people continue to have all the shoes they need for the duration of the war was announced on Feb. 7 by James F. Byrnes, Director of Economic Stabilization.

The rationing was ordered by the War Production Board and went into effect at 3 P. M., on Feb. 7 by the Office of Price Administration. Except for house slippers and infants' soft-soled shoes, all types of shoes and boots made in whole or in part from leather or from rubber soles are rationed.

The rationing of shoes in the beginning will be at the rate of three pairs a year, but Price Administrator Prentiss M. Brown intimated on Feb. 8 that this may have to be reduced if the war is prolonged and military demands on manpower continue to be heavy.

In order not to give hoarders a chance to start a run on shoe stocks, the OPA decided against any advance warning of the rationing and put the program into effect immediately. Under the shoe rationing program, Stamp No. 17 in War Ration Book No. 1 (the sugar and coffee book) will be good for one pair of shoes during the period ending June 15.

No sales of rationed shoes were permitted by the OPA on Feb. 8 but normal selling was resumed on Feb. 9. The shoe stamp is transferable within a family provided the members of the family live in the same household. This permits families to make purchases as needed and to make the most effective use of old shoes that can be worn.

Special shoe-purchase certificates will be available at local rationing boards for hardship cases and for those who can show that they need additional shoes.

A liberal allocation of sole leather for repair purposes has been provided, it was said.

The statement issued by Stabilization Director Byrnes further stated:

"Rationing is made necessary by the critical shortage of heavy sole leather. More than one-third of our total sole leather supply already is being used for military and lend-lease purposes. For 1943 the War Production Board estimates sole leather and reclaimed rubber will be available for only 335,000,000 pairs of civilian footwear, including slippers and infants' soft-soled shoes which are not rationed. This compares with about 440,000,000 pairs for 1942."

The OPA on Feb. 10 notified local rationing boards that they may issue special stamps for additional or emergency purchases of shoes in certain cases, such as of children with growing feet or mail carriers, policemen or others who subject their shoes to unusually hard wear because of the nature of their employment.

The WPB, in an order issued Feb. 11, eliminated a number of frills considered to be unessential on shoes, limited the height of heels on women's shoes, and restricted colors to four—black, white, Army russet and town brown. The WPB order also prohibited the manufacture of men's patent leather shoes, men's sandals, men's and women's metal spiked golf shoes, and women's formal evening slippers. Previously, the manufacture of any two-colored shoes was discontinued. It was said that these restrictions will not affect shoes sold consumers to any great extent until next Fall, since the Spring shoe lines are in process or have already been manufactured. Despite the restrictions, the WPB said, there will be enough patterns to provide ample style and style variety in addition to staple footwear.

New Areas Are Facing 48-Hour Work Week

The likelihood of extending the 48-hour minimum work week beyond the 32 "critical labor shortage areas," originally named by Chairman McNutt of the War Manpower Commission, following the issuance of the Executive Order was indicated on Feb. 10 by Mr. McNutt, who stated that other areas might soon be included.

In issuing a list of 102 prospective additional cities, Chairman McNutt said that such areas might experience acute labor shortages by the middle of summer.

The WMC also designated 59 cities as "areas in which a general labor shortage may be anticipated after six months" and listed 76 cities as "areas in which labor supply is and will continue to be adequate to meet all known labor requirements." Included in the latter group is New York City.

The President's order, it was emphasized, has for its purpose "to economize on manpower and not to increase hours of work where it will not contribute to the war."

The WMC pointed out that the order requires time and one-half for overtime pay in excess of 40 hours for all employment covered by the Wage-Hour Act and labor contracts in the 32 areas where it now applies but does not affect overtime pay of farm workers and domestic workers. The order abrogates labor contracts which restrict the work-week to less than 48 hours in the 32 affected areas.

As to whether the order is inflationary, in that workers will get much larger paychecks, the WMC contends it is not "because of the great production needs of the war; because the workers will produce more; because the work in any given plant will be spread out among fewer employes, and because price ceilings and wartime limits on luxury goods production will prevent workers from excessive and inflationary spending. In addition, income taxes will recapture part of the worker's added income."

A Bureau of Manpower Utilization is being set up in the WMC to help management and labor increase the effectiveness of the nation's workers.

Price Administrator Prentiss Brown announced on Feb. 15 his opposition to allowing "any general price increases" for industries forced to pay overtime wages under the 48-hour work-week order. Mr. Brown said that the businesses affected are expected to curtail the number of their employees and on that basis should not be entitled to increase prices.

The text of the 48-hour work order was given in our issue of Feb. 11, page 564.

Market Transactions In Govts. For Jan.

During the month of January, 1943, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $14,500,000, Secretary Morgenthau announced on Feb. 15. In December there were no sales or purchases.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or	purchases
April	$743.350	sold
May	200,000	sold
June	447,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$2,500	sold
October	200,000	sold
November	No sales or	purchases
December	$60,004,000	purchased
1942—		
January	$520.700	sold
February	29.980,000	purchased
March	5,814.450	purchased
April	300,000	purchased
May	16,625	purchased
June	250,000	sold
July	2,295,000	sold
August	8,446,000	sold
September	4,500 000	sold
October	1,000,800	sold
November	No sales or	purchases
December	No sales or	purchases
1943—		
January	$14,500,000	sold

Skean Heads Bureau

Albert H. Skean has been appointed Executive Director of the Convention and Visitors Bureau of the Commerce and Industry Association of New York, succeeding C. N. Nichols, it was announced on Feb. 17 by Frank W. Kridel, Chairman of the Executive Committee of the Bureau.

Mr. Skean has been Manager of the Atlantic City Convention Bureau for 16 years and Director of the Atlantic City Convention Hall for eight years. He was also Manager of Cleveland Convention Bureau for two years. Credited largely with the growth of Atlantic City's convention business in recent years, Mr. Skean is well known in trade association circles. In announcing the appointment, Mr. Kridel stated that while ODT Chairman Joseph B. Eastman had secured the prompt, voluntary curtailment of many conventions, the Convention and Visitors Bureau is now serving the many war-related conferences that have developed as an essential feature of the battle of production.

It is further pointed out that since trade and professional conventions will be one of the quickest ways of reviving normal peace-time activities, plans are already being developed to increase New York City's participation in the post-war convention business.

Wartime Labor Force At Record High; Farm Workers At New Low

During the first year of the war the average number of men and women at work in the United States was fully 500,000 above the average number of persons who would normally have composed the nation's labor force, according to the National Industrial Conference Board. By December, 1942, military and industrial drains upon the labor reserve had raised total employment to 58,600,000, or nearly 3,750,000 more than the corresponding peace time labor force, says the Board, which adds that the number of hired workers on farms in December, 1942, was, on the other hand, the lowest on record. "Although farm wage rates rose fully a third during the past year, there were almost 70,000 fewer hired workers than in the preceding year," the Board asserts. Hired workers released during the month totaled 635,000 as against 587,000 in 1941.

By the close of the year just short of seven persons were engaged in non-agricultural civilian production for every man in uniform, the Board states. This worker-fighter ratio at the beginning of the war is placed at about 18 to 1. With 9,000,000 in military service by the end of 1943, this worker-fighter ratio would fall slightly below 5 to 1, while further military expansion to 11,000,000 would result in four non-agricultural civilian workers for every member of the armed forces, according to the Board.

Continuing its analysis, the Board points out:

"By last December about six men had been brought into military service for every man in uniform at the close of 1940. The total number added to the armed forces is only slightly above the comparable number taken on in civilian industries during these 24 months. Roughly one worker was added to non-farm payrolls for every man entering military service in these two years. In the past year alone, 65 civilian workers were added for every 100 persons entering the fighting forces. Official forecasts for 1943, however, reveal that the further military expansion of 3,000,000 to 5,000,000 will be accompanied by an increase of only about 700,000 in civilian non-farm employment."

Sees Continuation Of Present Int. Rates

Interest rates will probably be stabilized at or near current levels for the duration of the war and probably for several years after the war is over, it was asserted on Feb. 10, by J. H. Riddle, economic advisor to the Bankers Trust Company, New York, in an address before the Wartime Conference on Trust Problems held in New York by the American Bankers Association.

Moreover, Mr. Riddle declared that the national debt and banking conditions brought about by war finance may make it necessary for interest rates to be kept at comparatively low levels even beyond the immediate post-war readjustment period. In his address Mr. Riddle stated:

"There is little doubt as to the ability of the Treasury and the Federal Reserve System together to keep rates low during the war period and to stabilize the structure around the present level. There may be some difficulties in maintaining specific rates. Perhaps some adjustments within the structure will have to be made from time to time, or even some restraints on trading. But with the powers available to the Treasury and the Federal, especially the powers to engage in open market operations and to reduce reserve requirements, it is fully anticipted that rates can be maintained around these levels, in spite of enormous amounts of public borrowing and large purchases of government securities by banks.

"It seems logical to expect that rates will continue to be stabilized somewhere around these levels in the immediate post-war period, say for two or three years. There may be some adjustments in rates, especially in the short term rates, but it is doubtful whether the controls will permit any major rise in rates generally. The Treasury will still be borrowing large sums of money, at least for a year or so, and will have a huge floating debt to refund."

Mr. Riddle further stated that "the whole period of transition from war to peace will be fraught with many difficulties, and no doubt every effort will be made to avoid the disturbing factor of rising interest rates." He likewise said:

"Debt and banking conditions created by war finance may make it necessary for monetary controls to keep interest rates at comparatively low levels even beyond the immediate post-war readjustment period. Some rise from present levels might be permitted but it will doubtless be kept within moderate bounds. If and when debt retirement begins and bank holdings of government securities are reduced, a gradual firming of rates might be permitted without serious effects. Stability of rates, however, may continue to be the principal objective of Federal Reserve policy for a number of years."

'Flash Of Genius' False Patent Standard

Inventors, manufacturers and lawyers alike, contend "the flash of genius" is a false standard of invention according to the publication, "Industry's View," released Feb. 18 by the National Association of Manufacturers. The Supreme Court recently held that a new device "must reveal the flash of creative genius" to be patentable.

Pointing out that "almost every patent now in existence as well as those which will be granted is threatened" by application of this standard, the current edition of "Industry's View" also reiterates NAM approval of the public recording of patent agrements and its opposition to compulsory licensing of patents. The publication states:

"Industry desires that the Patent System shall perform the functions for which it was set up, 'to promote science and useful arts'." Industry believes that the American Patent System is the most effective of any in the world. The record of industrial progress growing out of inventions and scientific discoveries is itself the best evidence of that fact. Improvements can be made, however, and industry is taking leadership in seeing that they are made.

"In a recent patent case Mr. Justice Douglas of the United States Supreme Court said that a new device in order to be patentable, 'must reveal the flash of creative genius.' Since then lower courts have applied this test to other cases and held patents invalid because they did not reveal the flash of creative genius.

"It is generally agreed by inventors, manufacturers and lawyers alike that 'the flash of genius' is a false standard of invention.

"If rigidly applied this standard would rule out patents on all discoveries which are the result of years of painstaking research, such as Vitamin B1, synthetic rubber, devices essential to radio and television and thousands of other inventions and discoveries of great economic and social importance. Perhaps none of the great inventions of Edison, Bell, Morse and others would have been patentable if this standard had been applied.

"Early in the history of our patent system the United States Supreme Court, speaking through Mr. Justice Story, set forth certain fundamental principles that should be taken into consideration in determining patentability. The principles stated were:

" 'It is of no consequence whether the thing be simple or complicated, whether it be by accident or by long, laborious thought, or by an instantaneous flash of mind, that it is first done. The law looks to the fact, and not to the process by which it is accomplished. It gives the first inventor or discoverer of the thing the exclusive right, and asks nothing as to the mode or extent of the application of his genius to conceive or execute it.'

"It seems probable that the recent Supreme Court decision has been misconstrued by the lower courts, but almost every patent now in existence as well as those which will be granted is threatened by application of 'the flash of genius' as a standard of patentability. This will do immeasurable harm to science and useful arts which the Patent System was intended to advance."

10% Additional Newsprint Cut Predicted

The War Production Board stated recently that the best available figures on the print-paper situation indicated that a second cut in use of not more than 10%, effective April 1, would be sufficient to meet the shortage caused by the war. In reporting this in special advices from Washington Feb. 9, the New York "Times" said:

"According to W. G. Chandler, Director of the Printing and Publishing Division, and Donald J. Sterling, Consultant on Newspaper and Publishing Industries to the WPB Chairman, this program is arrived at after consultation with the pulp and paper division and with the agencies involved.

" 'Such an additional cut is compelled solely by war needs and factors of paper production,' they said. 'Its application is in line with the initial policy of solving this problem by one or more moderate reductions.

" 'Equitable allocation of the print paper available after April 1 should not work undue hardship upon any publication nor handicap its essential service to the nation in war time. The present cut in use of print paper went into effect in January.

" 'As in the case of the first order governing the use of print paper, the second order will deal only with the allocation of the available supply. WPB will not attempt to say how the publisher shall use his print paper allotment.' "

The WPB order of last December curtailing use of newsprint by about 10% was referred to in our issue of Jan. 14, page 198.

Hearings On Wage Rates For Sugar Beet Crop

The Department of Agriculture announced on Feb. 15 that public hearings will be held during the period of Feb. 22 to March 8 on labor rates and grower-processor contracts for the 1943 sugar beet crop. The Department's announcement states:

"The Sugar Act of 1937, as amended, requires that in order to qualify for government payments, producers must pay all persons employed on the farms in the production of sugar beets, wages at rates not less than those determined to be fair and reasonable by the Secretary of Agriculture after public hearing and investigation. The Act also provides that processors, who as producers wish to qualify for conditional payments, purchase sugar beets at rates determined by the Secretary to be fair and reasonable. The legislation further provides that the Secretary may make recommendations regarding the terms and conditions of contracts between growers and processors of sugar beets, and between laborers and growers.

"Proposed wage rates for the 1943 crop have been prepared by the Sugar Branch of the Food Distribution Administration for the eleven major sugar beet producing districts. These rates reflect the anticipated returns from the 1943 crop under the price support program announced by the Department on Feb. 10."

Report Guarantees For War Production Loans

The Board of Governors of the Federal Reserve System announced on Feb. 15 that from the issuance of Executive Order No. 9112, on March 26, 1942, and the Board's Regulation V, on April 6, to the end of the year 1942, the War Department, Navy Department, and Maritime Commission, acting through the Federal Reserve Banks, authorized 2,665 guarantees for war production loans totaling $2,688,397,000. Advices from the Board added:

"Advances to borrowers during 1942 on guaranteed loans totaled $1,133,159,000, of which $330,454,000 was repaid, leaving unpaid balances of $802,705,000 to 1,496 borrowers at the end of the year. On the average the $802,705,000 of loans outstanding were guranteed to the extent of 79% of their face value. In addition to the amounts outstanding, $1,428,921,000 was available to borrowers under guarantee agreements in force at the end of the year.

"Over 40% of all loans for which guarantees were authorized were for amounts of not more than $50,000, and nearly 60% were amounts of not more than $100,000."

The following tabulation was issued by the Board:

Amount of Loan	Per cent of Total Number	Cumulative Percentage
Up to $5,000	5.2	5.2
$5,001 to $10,000	6.7	11.9
$10,001 to $25,000	14.7	26.6
$25,001 to $50,000	14.9	41.5
$50,001 to $100,000	17.2	58.7
$100,001 to $250,000	15.8	74.5
$250,001 to $500,000	9.6	84.1
$500,001 to $1,000,000	6.3	90.4
$1,000,001 to $5,000,000	7.4	97.8
$5,000,001 to $10,000,000	1.1	98.9
$10,000,001 to $25,000,000	.7	99.6
$25,000,001 to $50,000,000	.3	99.9
Over $50,000,000	.1	100.0

Acts To Insure Equitable Distribution Of Tea

Acting to insure equitable distribution of available supplies of tea for domestic consumption, the Department of Agriculture on Feb. 15 ordered that the commodity be made available through qualified distributors to customary trade channels. Secretary Wickard said the move was necessary because of wartime limitations on ocean shipping and short world supplies of tea. Under the order, Roy F. Hendrickson, Food Distribution Director, will designate distributors from among members of the tea industry recognized through experience as properly qualified to handle the apportioning to tea packers. A tea distribution committee of tea experts will be named to supervise distribution of the various qualities of teas to packers.

Construction Contracts Ahead Of January, 1942

The valuation of contracts awarded during January for all types of construction amounted to $350,661,000, according to the F. W. Dodge Corporation on Feb. 19. This is an 11% increase over January, 1942, but represents a 50% decrease from December.

Non-residential and residential building valuation, combined, exceed January a year ago by 17%. Heavy engineering work fell 6% behind. Compared with December, the January valuation of combined non-residential and residential building is off 40% while heavy engineering is off 68%.

New dwelling units created in January in new buildings and through conversion of existing buildings totaled 27,127 or 54% more than in the previous month and 16% more than in January a year ago.

House Cuts Funds For Treasury, Post Office

The first departmental supply bill of the new Congress carrying $1,998,840,960 for Treasury and Postoffice operations during the 1944 fiscal year, was passed by the House on Feb. 9 and sent to the Senate. The measure was $14,014,870 below Budget Bureau estimates, with more than $3,000,000 of this amount representing cuts made on the House floor by economy minded Representatives. The House Appropriations Committee had recommended a total appropriation of $1,202,007,320, with $899,282,855 for the Postoffice Department and $302,724,465 for the Treasury. The last supply bill for the two departments carried $902,978,564 for the Postoffice and $412,918,149 for the Treasury.

As finally passed, the measure carries two controversial amendments — one abolishing postage-free mail for Government agencies and the other cutting off Treasury silver purchases under the 1934 and 1939 Silver Purchase Acts.

Limits Feed Wheat Sale

The Commodity Credit Corporation announced on Feb. 16 that it has instructed its field agents to limit the sale of government-owned wheat for livestock feed because these stocks were running low. From Associated Press advices we also quote:

"Last July Congress authorized the sale during the current fiscal year of not more than 125,000,000 bushels of wheat for feed at 85% of the parity price of corn.

"With the recent rise in prices of corn and an increased demand by feeders, prices of the government feed wheat became more favorable compared with corn. As a result purchases have been heavy in recent months. Officials said the latest reports indicated that more than 100,000,000 bushels had been disposed of.

"Further sales will be limited pending determination of the amount committed under unfilled sales and redemptions to farmers."

Prices Of Mill Feed To Be Supported By CCC

The Department of Agriculture announces that, in an effort to prevent a rise in flour and bread prices and encourage increased production of livestock, the Commodity Credit Corporation will support the price of mill feeds to flour millers when market prices of mill feed average more than $1.50 a ton below the ceiling price set by the Office of Price Administration. With reference thereto advices from Washington to the "Wall Street Journal" stated:

"Payments will be made by the CCC only on mill feeds sold on or subsequent to Jan. 25, 1943, and prior to July 1, 1943. To receive payments, notarized certification of shipments of mill feeds must be submitted to a regional director of the corporation. The support price applies only to mill feeds processed from flour for human consumption."

Latin America Seen Offering Opportunity For Investment Of U. S. Private Capital

Dr. Francisco Pardo de Zela, Consul General of Peru in New York, on Feb. 15 at the luncheon of the Pan American Society at the Bankers Club of New York in honor of the Latin American consular corps in this city, stated that "American capital will be welcomed in the Latin American mineral and agricultural countries if it is willing to participate with local capital in the development of new enterprises or in the expansion of existing sources." But, he added, "American capital cannot expect to go back to the old exploitative basis of the 1920's.

He asserted that "the wealth produced in those pre-1929 days did not circulate in the country. It simply passed through to the ports of export. And the eventual outcome was the stringent mining and tax laws which most of the Latin American countries have felt themselves forced to adopt and which have quite effectively discouraged any large amount of North American capital investment down there in the past ten years."

The Peruvian Consul General added that there is a great need and great opportunity for United States private capital and skill now and that it could be employed with reasonable profits. He likewise said that "the tremendous job of keeping Nazi Germany or Japan from gaining in the future an economic stranglehold on Latin America requires that North American capital go to work down there, in cooperation with local capital."

Frederick E. Hasler, President of the Pan American Society, who presided at the luncheon which marked the 31st anniversary of the founding of the society, called attention to the approaching expiration of the Reciprocal Trade Agreements on June 12. In his remarks he charged that "selfish trade interests and isolationists in Congress" have "started a movement in opposition to the renewal of the trade act." He added:

"This movement must be stopped at all costs before its virus is allowed to create suspicion abroad of the sincerity of our policies in regard to international trade and thus implant the germ of disunity among the United Nations. We must all realize that what adversely affects our neighbors reacts to our detriment.

"A continuance of the Trade Agreements Act is not only essential to the speedy and successful prosecution of the war, but to the peace we shall write after we win the war. No better instrument has yet been devised than the mechanism under which the act has operated since its enactment in 1934. It has lowered excessive trade barriers and improved our commercial relations with 25 other countries. It may well serve as a pattern to implement the principles of mutual trade aid agreed upon in the Atlantic Charter."

At the luncheon the annual aviation safety awards for 1942 of the Inter-American Safety Council were presented to the eastern and western divisions of Pan American Airways and two affiliates—Compania Mexicana de Aviacion and Compania Nacional Cubana de Aviacion for flying nearly 190,000,000 passenger-miles last year without a passenger fatality. The awards, in the form of certificates, were presented by R. A. Hummel, President of the Council, which also gave two medals for life saving to two employees of the Costa Rica Power & Light Co.

In Foreign Relief Post

Herbelt H. Lehman, Director of Foreign Relief and Rehabilitation, announces the appointment of Lithgrow Osborne as assistant in charge of special relief problems. Mr. Osborne was formerly New York State Conservation Commissioner.

Extend Lend-Lease Aid House Group Urged

The House Foreign Affairs Committee on Feb. 8 heard Secretary of War Henry L. Stimson and War Shipping Administrator Emory S. Land stress the necessity of continuing the lend-lease program for another year. In urging continuance of the Lend-Lease Act until July, 1944, Secretary Stimson declared that "any other decision would seriously jeopardize and delay our complete and total victory." Mr. Stimson expressed his personal conviction that this nation could not and should not seek a post-war "dollar and cents" settlement of international debts arising from the lend-lease program, according to the Associated Press, which further reported:

He was joined by Admiral Land, who told the committee:

"I favor the extension of the Lend-Lease Act. Lend-Lease and lend-lease in reverse should not be abandoned. The Lend-Lease Act is a flexible instrument, which has proven in time of emergency that a democracy can meet and out-match the challenge of so-called Fascist efficiency."

From Admiral Land came the disclosure that American - controlled vessels, in the year ended Oct. 31, 1942, had made 1,745 sailings loaded with lend-lease material—1,375 for Britain, 304 for Russia and 66 for China.

"Unfortunately," he said, "not every vessel that sailed arrived at her destination, but by far the largest portion of them did. In the current year, lend-lease sailings of American vessels will greatly increase, and may even double the 1942 volume."

The bill to extend the life of the Lend-Lease Act another year was introduced on Jan. 26 by Representative Bloom (Dem., N. Y.) Chairman of the Committee, in a move to assure an uninterrupted flow of war materials between this nation and its allies.

The House group opened its hearings on Jan. 29 with Lend-Lease Administrator Edward R. Stettinius, Jr., as the first witness. Stressing the importance of the program in forcing an "unconditional surrender" of the Axis. Mr. Stettinius said:

"If there is any question to be debated in connection with the Lend-Lease Act, it is, to my mind, the question of why we have not sent more to our Allies, not whether we should continue to send supplies to them."

The following regarding his testimony is from Associated Press advices:

Mr. Stettinius reported that Lend-Lease aid had made the British Isles "an impregnable base for offensive operations" and reviewed the shipments of war material and equipment to Britain, Russia, Africa, Egypt and China. He told also how Lend-Lease operates in reverse, bringing supplies to American troops in the field and in billets abroad.

But this point he stressed in particular: "There has not been and there never will be developed a standard of values by which we can measure lives lost against the cost of airplanes or guns."

"It is difficult," he said, "to estimate how much the peoples of Russia have helped us by holding back the Nazi forces and taking the offensive away from them, or to estimate the value to our national interests of the superb fight of the Chinese against the Japanese.

"By the lives lost, the cities and homes destroyed and in the other losses of war, Russia and China and Great Britain have made limitless contributions to their cause, as well as to ours."

Mr. Stettinius on Feb. 10 disclosed that American Lend-Lease aid now was being supplied to the nation's Allies "at an annual rate in excess of $10,000,000,000." He reported also that the amount furnished Russia had "increased sharply" during January over that for the previous month.

In a statement issued after his reappearance before the House Committee to amplify his arguments on the necessity for continuing the Lend-Lease Act another year. Mr. Stettinius also reported that the total Lend-Lease aid extended from the beginning of the program through Jan. 31 of this year now amounts to approximately $9,064,000,000.

Mr. Stettinius' report to Congress, showing that total amount of Lend-Lease aid from March 11, 1941, through Dec. 31, 1942, was $8,253,000,000, was referred to in our issue of Feb. 4, page 500.

Dean G. Acheson, Assistant Secretary of State, told the House Committee on Feb. 3 that "Lend-Lease has become the cornerstone of our war-time relations with friendly Powers" and that the mutual aid agreements were laying the "foundation upon which peace can be built."

Asserting that it has become an indispensable instrument of this nation's foreign policy, Mr. Acheson, in a prepared statement said:

"Lend-Lease is the most expeditious way in which we can join America's technological genius and industrial might with the fighting men of our Allies already in the field against the enemy. Reciprocal Lend-Lease is the most expeditious way in which our Allies can, in turn, provide, on the spot, weapons and food and other necessities for our own fighting men overseas."

"This," he said, "is a war of alliance and it can be won only if all the resources of all the Allies are pooled in ways which permit the fighting forces of the United Nations to hit the enemy hardest where it hurts him most."

Mr. Acheson emphasized no final accounting between nations on Lend-Lease could be based upon the "dollar sign" nor a requirement that this Nation be repaid for its aid in gold.

"To do so," he said, "would stop altogether the triangular movement of trade, wreck the currency of other countries as well as that of this country, and would result in financial chaos."

Bill Of Rights Rally

In observance of Bill of Rights Week (Feb. 14-20), a public rally, attended by 400 children, each representing a New York school, was held on Feb. 15 at the Great Hall of the Chamber of Commerce of the State of New York at 65 Liberty Street. The rally, which was sponsored by the New York Chamber and the Federal Hall Memorial Associates, was to have been held on the steps of the Sub-Treasury Building at Wall and Nassau Streets, but because of the zero weather was moved to the Great Hall. So far as known, it was the first time that the weather ever prevented such an observance being held at the Sub-Treasury.

Frederick E. Hasler, President of the Chamber—the oldest commercial organization in the nation—stated at the opening exercises in the Chamber that "in proclaiming the week of February 14 Bill of Rights Week, Governor Dewey wisely urged observances which would impress the full meaning of these freedoms upon 'the spirit of youth,' for it is the young people of today who, as the men and women of tomorrow, must shoulder the responsibility of perpetuating these sacred rights which have contributed so much to our national greatness and our individual progress." Mr. Hasler added:

"I do not need to tell you that there are forces at large in the world today who mock God and contaminate decency and who would tear up the American Bill of Rights and replace it with a Code of Slave Regulations. There can be no security for the United States or any other free country until these evil forces are conquered.

"Our forefathers could have left us no more sacred heritage than the Bill of Rights. Within its text is written the authority and sanction for all the rights and privileges essential to human freedom, opportunity and security. Little wonder then that even as we are sitting here our sons and brothers in the Pacific, in Africa and over Europe are facing death unafraid to safeguard for us and future generations the precious freedoms which this consecrated document guarantees to every American.

"Let us hold steadfastly to the great principles of human rights and human freedom embodied in the Bill of Rights and our country will ever remain the home of free men."

Reproductions of the original Bill of Rights were presented by the Chamber to the school children for permanent display in the 400 schools they represented.

Besides Mr. Hasler the speakers were: George McAneny, Chairman of the Federal Hall Memorial Associates; Newbold Morris, President of the City Council; Dr. Jacob Greenberg, Assistant Superintendent of Schools; Arthur Pound, State Historian, and Martin Steadman, of Public School 125, winner of the 1942 Essay Contest on "The Bill of Rights." Dr. Richard E. Evans presided and Miss Evelyn Lane, radio and concert artist, sang patriotic selections, accompanied by the Brooklyn Technical High School Band.

World Guarantee Of Press Freedom Asked

The American Society of Newspaper Editors concluded in Washington on Feb. 14 a two-day "war" conference, with the objective of reaching a better general understanding of the problems existing between the Government and the press.

The Association's annual meeting consisted largely of confidential exchanges of ideas behind closed doors with Government, civilian and military leaders. However, it was made known that the ASNE adopted resolutions calling for a post-war world guarantee of freedom of the press, advocating a Government policy of making public "facts to which the people are entitled, instead of giving this information, as in the past, to privileged writers," and opposing efforts to put any press association under the power of Congress to regulate commerce.

The editors held as "off-the-record," meetings with President Roosevelt, Secretary of State Hull, Elmer Davis, Director of the Office of War Information; Byron Price, head of the Office of Censorship; General George C. Marshall, Army Chief of Staff; Admiral Ernest J. King, Commander-in-Chief of the U. S. Fleet; Lieut.-Gen. Henry H. Arnold, of the Army Air Corps, and others.

The Society appointed a liaison committee of three Washington editors to bring about closer contact between press and Government. The Committee is headed by Ben M. McKelway of the "Washington Star," and includes Alexander F. Jones of the "Washington Post" and David Lawrence of the "United States News."

Roy Roberts, managing editor of the "Kansas City Star," was elected the new President of the Society, succeeding W. S. Gilmore of the "Detroit News."

The resolutions read as follows:

"1. Resolved, That the action of Secretary of State Hull in publishing the recent White Book be commended, the hope of the American Society of Newspaper Editors being that this marks the beginning of a policy whereby the government will officially inform the public of facts to which the people are entitled, instead of giving this information, as in the past, to privileged writers who, with their publishers, have reaped unearned financial rewards by commercializing that which belongs to all the people.

"2. Whereas, the American Society of Newspaper Editors takes the occsion of this annual convention to reaffirm the unity of the American press in support of the war; and,

"Whereas, military victory must be followed by a settlement providing the basis of lasting peace; and,

"Whereas, at its 1934 meeting this society resolved that our government should refuse to participate in any internationl conference without freedom of information for newspapers and press associations; and,

"Whereas, freedom of expression and of communication, uncontrolled in any way by governments, is among the strongest safeguards of peace; therefore, be it

"Resolved, That this society affirms its adherence to a world guarantee of freedom of the press according to American tradition and practice.

"3. Resolved, That we are opposed unalterably to any efforts to put the news report of any press association in the United States under the power of Congress to regulate commerce."

Role Of Advertising In US Progress Lauded

Advertising has been a far more helpful and constructive force in the progress of the American people than all the economic theories, plans and schemes proposed by those who have recently criticized it, Frederick P. Champ, past President of the Mortgage Bankers Association of America, told members of the Utah-Idaho Advertising Association at their recent annual convention in Ogden, Utah.

Mr. Champ said:

"Advertising isn't only a token of better business—it is a symbol of freedom. Advertising has been far more constructive and helpful to the American people, closer to the realities and sounder in its basic conception of our democratic process and the fabric of free enterprise, than all the economic schemes devised by its critics.

"Advertising is an integral part of today's program of American business when it has temporarily turned from its primary job of improving the material well being of the American people to its wartime job of lending a strong hand in producing more dead Germans and Japs. In the totalitarian countries the process of persuasion, which is the basis of advertising, is suspended insofar as it relates to the sovereignty of the individual as a reasonable being, and as a man to be dealt with and persuaded. No persuasion is needed. The citizens are slaves.

"Advertising can build morale by strengthening our faith in the American way of life, and in repeating its truths, it can help sweep aside the fog of demagoguery and social planning which now clutters up the road to victory and divides us in time of peace."

Second Cotton Forum To Hear Army Report

The second National Cotton Conference-Forum and dinner, under the auspices of the New York Cotton Exchange, will be held on March 8 at the Biltmore, New York City, and the subject will be "The Army Reports to the Cotton Industry." Major Keith Morgan, Chief of the Management Branch of the Industrial Services Division of the War Department, will be in charge of the program. Speakers will include Col. A. Robert Ginsburgh, of the General Staff Corps, Aide to the Under Secretary of War Robert P. Patterson, and Chief of the Industrial Services Division of the War Department. He will speak on "The Progress of the War—Its Pattern and Needs." Col. Robert T. Stevens of the Quartermaster Corps and Chief of the Textile and Clothing Branch, Procurement Division, Office of the Quartermaster General, and Maurice Hirsch of the Office of the Price Adjustment Board, War Department, will speak on military needs and contract renegotiation. As in the previous Forum sponsored by the Exchange in January, adequate opportunity will be afforded the guests to write out and submit questions to the Forum speakers. It is expected that a record number will be in attendance to hear the report from the Army representatives. The Exchange is sponsoring this series of forums for the purpose of providing free and authoritative discussion of the multiple problems confronting the cotton industry.

The January forum meeting was referred to in these columns Feb. 4, page 500.

OPA Rules Discourage Home Ownership, Says Head Of Realty Bd.

"Americans will stand a lot of rationing, but when Government seeks to ration a man's right to own a home, it's time to do something about it," said Cyrus Crane Willmore, St. Louis, newly-installed President of the National Association of Real Estate Boards, on January 24. "OPA's requirement of one-third down payment and a three months' wait before taking possession means just that—a 'rationing' of the right to buy a home." Mr. Willmore added:

"Home ownership is the backbone of America and American institutions. The family and the home are more important during war than in peace. We must not cut off the possibility of home ownership, as this order does to thousands of people. The boys at the front teach us that. They are fighting for the dear ones at home. Home is America to them."

Urging amendment of the order to eliminate the one-third down payment, and pledging that modification of OPA sales restrictions will be an important aim in a broad-gauged four-point program of the National Association during 1943, President Willmore said:

"Aim No. 1 continues and will continue to be the winning of the war. Realtors will make every sacrifice to aid in the winning of the war—they will cooperate with military authorities—they will assist Federal agencies in all objectives having to do with the facilitation of the war effort.

"Right here, second only to winning the war, we must preserve free private enterprise. We oppose unnecessary regimentation of citizens and the elimination of initiative. Without free enterprise this war would have been lost months ago.

"Too many people seem to forget that America was built by free enterprise. Under free enterprise our people have attained a scale of living never before dreamed of by any people on the face of the globe. Faith and thrift built America — faith in God, faith in country, faith in self. Thrift—the savings of the people by hard work—earnest application to the task and sacrifice has provided all the material things we have had. Only by one's own individual initiative can there be material gain—and someone must provide materially before there can be social gains. Government cannot provide—it does not produce—it can only distribute the savings of others—and then only so long as savings last.

"It will be one immediate objective of our Association to assist the Government in any way we can in its present tentative plans for giving relief to the 300,000 small businesses which may be expected to suspend activities during 1943, including relief and help to the owners and mortgagees who will be affected. Such standby aid is a part of the war cause. It can mean saving of billions in possible losses that would seriously affect cities and their business and industrial properties.

"Fourth, we urge our Government to encourage wartime home buying. No better outlet for high wartime earnings of millions of our people can be found than investment in a home."

Urging, as primary also, the purchase and sale of war bonds, and pointing out that 1943 will be a year of sacrifice, and that realtors are ready to do their share, Mr. Willmore stated:

"Money in war bonds is needed to win the war, to control inflation, to win the peace.

"With inflation a very real and alarming danger, purchases of real estate now will aid our Government in its splendid fight to curb inflation. Realtors have been advocating a 'buy now plan' on real estate now will aid our Gov-Forward looking individuals will select their home sites now and have their plans prepared to build immediately following the war. Materials will be cheaper then than later on. Architects are not busy now but they will be later on when, it is estimated, 900,000 living units annually will be needed for ten years after the war."

Paper Exporters Council Elects New Officers

Eli deVries, President of Parsons & Whittemore, Inc., was elected President of the United States Paper Exporters Council, Inc., at the annual meeting held in New York City on Feb. 18.

George G. Cobean, President of Bulkley Dunton Paper Co., was elected Vice-President for the coming year, and Frank W. Smith, Vice-President of the National Paper & Type Co., was reelected Secretary-Treasurer of the Council.

In addition to these three officers the new Board of Directors will also include:

Harry Bengtsson, Executive Vice-President of The Paper Company Van Reekum of New York, Inc.

Adalbert Greiner, President of China American Paper & Pulp Co.

Fred C. Strype, President of Fred C. Strype, Inc.

Elwin Walker of Walker Goulard Plehn Co., Inc., retiring President of the Council, reviewed the Council's activities for the first year of operation, emphasizing its spirit of cooperation with our government agencies and the resultant clarification of paper exporters' problems under necessary government control.

Mr. deVries in assuming the Presidency expressed his hope for continued cooperation with the government as a necessary means of emphasizing the paper exporters' role in the furtherance of the war effort and in the supply of an essential civilian commodity to our friendly allies.

N. Y. Commerce Assn. Advocates Tax Relief Based On Ruml Plan

Favorable consideration to the adoption of a plan of tax relief based on the Ruml plan or one embracing the same principles is recommended by the Commerce and Industry Association of New York, Inc. (formerly The Merchants' Association of New York), in a letter on Feb. 13 to Robert L. Doughton, Chairman, and to each member of the House Ways and Means Committee and to the Senate Finance Committee, and to Senators Robert F. Wagner and James M. Mead of New York. The letter urged the adoption by the Federal Congress of a pay-as-you-go or a pay-as-you-earn income tax plan, and that it provide a withholding tax at a rate sufficient to cover the normal income tax, plus the first surtax bracket, plus the Victory Tax, if continued; and that, in order to simplify the collection and overcome practical difficulties which large corporations and business houses employing large numbers of people encounter in making deductions from payrolls to meet the requirements of various tax laws, there be only a single withholding tax with a single exemption of $624, as now provided for in the Victory Tax, so that employers will be relieved from the responsibility of determining the ever-changing domestic status of employees, and that such withholding tax should be applied to all income from salaries, bonusues, commissions and wages.

The text of the Association's letter, signed by Thomas J. Miley, Secretary of the Association, follows:

"The Commerce and Industry Association of New York, Inc., through its Committee on Taxation and Public Revenue, has carefully considered the various plans suggested and submitted to the Congress to afford tax relief and to place taxpayers on a current payment basis through the medium of a withholding tax.

"This Association after careful deliberation, respectfully recommends that, for the purpose of relieving taxpayers from the hardship of paying two years' taxes in one year, because the huge increase in taxes levied by the 1942 Revenue Act will impose an impossible burden, favorable consideration should be given to the plan of tax relief proposed by Mr. Beardsley Ruml or some other plan embracing the same principles and features of the Ruml plan, such as that proposed in House Joint Resolution 17, 78th Congress, first session, introduced by Mr. Carlson of Kansas, now pending before the Ways and Means Committee.

"In regard to the proposal to place taxpayers on a current payment basis, the Commerce and Industry Association of New York, Inc., urges the adoption by the Federal Congress of a pay-as-you-go or a pay-as-you-earn income tax plan, and that it provide a withholding tax, at a rate sufficient to cover the normal income tax, plus the first surtax bracket, plus the Victory Tax, if continued; that, in order to simplify the collection and overcome practical difficulties which large corporations and business organizations employing large numbers of people encounter in making deductions from payrolls to meet the requirements of various tax laws, there be only a single withholding tax, with a single exemption of $624.00, the same as now provided for the Victory Tax, so that employers will be relieved from the responsibility of determining the ever-changing domestic status of employees, and that such withholding tax should be applied to all income from salaries, bonuses, commissions and wages.

"Because of the urgent need for action, we urge your favorable consideration and support of the above recommendations."

Plan Now For Post-War United Nations Urged

Under-Secretary of State Sumner Welles urged on Feb. 12 that the United Nations plan now a program for the post-war period to carry out the principles of the Atlantic Charter and to achieve general economic reconstruction through international cooperation.

Mr. Welles spoke at ceremonies opening a series of exhibits, "This Is Our War," sponsored by the Office of War Information in New York City. Other speakers included: Viscount Halifax, British Ambassador; Dr. Wei Tao-ming, Chinese Ambassador, and Dr. Don Francisco Castillo Najera, Mexican Ambassador.

Expressing the belief that the continued partnership of the United Nations is essential to post-war peace, Mr. Welles reviewed the principles of the Atlantic Charter, adding that it seemed to him that there were "established therein all of the objectives which men and women who are struggling to preserve our civilization and to achieve their own freedom and security would wish to have held up before them."

He further said:

"But principles and objectives unfortunately remain only words and noble aspirations, unless they are translated into reality. That translation into reality is by far the hardest part of the task which lies ahead."

Mr. Welles noted that the British Commonwealth, China and Mexico were represented at the exercises but expressed regret that no representative of Soviet Russia was present. On this point, he commented:

"We recognize that in any gathering which symbolizes the United Nations, the presence and participation of the Soviet Union is imperatively required."

Mr. Welles said, in part:

"I cannot but believe that the greatest inspiration and the most positive assurance which the peoples of the world today could possess would be the realization that the governments of the United Nations had united the work which each is doing individually, and were joined in charting the course which must be followed when the war is ended.

"Surely there is much that could now be done to determine the practical manner in which the police power will be exercised in the world of the future; for only in that way can we be sure that we will indeed lighten 'the crushing burden of armaments for peace-loving peoples'; much that could be done to make sure that men and women in the future may in fact 'live out their lives in freedom from fear and want.'

"Surely there is also much that could now be done to determine the path by which the nations of the world can obtain that full measure of general economic reconstruction which can only be achieved by international cooperation.

"There could be no surer road to disaster, no surer means of bringing about unmitigated havoc in the future, than for the United Nations to enter the post-war period as rivals and opponents in their commercial and financial policies, rather than as collaborators in a common task of seeking and achieving international economic stability and general well-being.

"Together we can solve this gigantic problem; opposed to one another, no one of us will profit. All would share the consequences of a general ruin.

"Can any one doubt that it would be far easier to reach that essential common agreement on the practical measures required to carry out these great principles of the Atlantic Charter during these months in which the United Nations are joined together in the common struggle than if the search for that agreement be postponed until after the war is won?

"It is urgent that we be prepared, by common agreement, to make righteous and effective use of the day of triumph so that the union against the enemies of mankind may become a permanent pledge for the welfare of all peoples."

Post-War Housing Plans Criticized

The biggest error in current thinking and discussion about post-war housing — too much theory and too little common sense—should be corrected now before the nation gets off to a false start in what will undoubtedly be one of the greatest sources of employment in the post-war era, Charles A. Mullenix, President of The Mortgage Bankers Association of America, declared on Feb. 13 in an announcement of the organization's plans for exploring the subject at its forthcoming Chicago Conference. According to Mr. Mullenix "there is too much theorizing by reformers and planners and uplift elements and far too little consideration of what the people themselves want in post-war housing, urban rehabilitation and slum clearance. Commendable though the motives of these groups may be, it is becoming apparent that we may be getting off to a false start in planning for what will be one of our greatest national ventures in the post-war world, that is new rental housing, new residential construction, replanning of cities and slum clearance."

Mr. Mullenix said that post-war housing and housing financing, along with the immediate problems of further war housing, will be the subjects of addresses by John B. Blandford, Jr., administrator, National Housing Agency; Abner H. Ferguson, Commissioner, Federal Housing Administration; Louis Wirth, Professor of Sociology, University of Chicago and regional chairman, National Resources Planning Board, and others at the Association's second War and Post-War Clinic at the Drake Hotel, Chicago, Feb. 26 and 27.

Jan. War Expenditures Were $6.2 Billions

The War Production Board announced on Feb. 15 that war expenditures by the United States Government totaled $6,254,000,000 in January. This was $129,000,000, or 2.1% higher, than in December and 185% greater than in January, 1942. The Board's advices state:

"The average daily rate of expenditure in January was $240,500,000, compared with $235,300,000 in December. The daily rate is based on the twenty-six days in January and December on which checks were cleared by the Treasury. In January, 1942, $81,200,000 were spent daily for war purposes.

"The figures cover expenditures both by the Treasury and by the Reconstruction Finance Corporation and its subsidiaries."

Insolvent Nat'l Bank Div.

Comptroller of the Currency Preston Delano announced on Feb. 18 that during the month ended Jan. 31, authority was granted for payment of a dividend to the creditors of one insolvent national bank (First National Bank of Darby, Pa.). The dividend so authorized, a second (final) payment of 3.87%, represented a distribution of $91,600 to 8,309 claimants who had proved claims aggregating $2,392,500.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 23	117.11	109.06	117.60	115.43	110.15	95.01	99.68	112.93	115.24
22 Exchanged Closed									
20	117.11	109.06	117.60	115.43	110.15	95.01	99.68	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
18	117.10	109.06	117.60	115.43	110.15	95.16	99.52	112.93	115.43
17	117.10	109.06	117.80	115.43	110.15	95.01	99.52	112.93	115.63
16	117.11	108.88	117.60	115.24	110.15	94.86	99.52	112.93	115.43
15	117.11	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.63
13	117.12	108.88	117.60	115.24	110.15	94.86	99.36	112.93	115.63
12 Exchange Closed									
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
10	117.10	108.88	117.80	115.24	109.97	94.56	99.20	112.75	115.63
9	117.10	108.88	117.60	115.24	109.97	94.56	99.04	112.75	115.63
8	117.08	108.88	117.60	115.24	109.97	94.56	99.20	112.75	115.43
6	117.09	108.88	117.80	115.04	109.97	94.71	99.20	112.75	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
4	117.12	108.70	117.60	115.04	109.97	94.56	99.20	112.75	115.43
3	117.14	108.88	117.80	115.04	109.97	94.71	99.20	112.75	115.43
2	117.07	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43
1	117.04	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	117.14	109.06	117.80	115.43	110.15	95.16	99.68	112.93	115.63
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Feb. 21, 1942	116.36	106.56	115.82	113.31	107.62	91.62	97.00	110.15	113.50
2 Years ago									
Feb. 21, 1941	116.06	105.52	117.00	112.75	106.04	89.51	95.62	109.60	112.75

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 23	2.06	3.22	2.77	2.88	3.16	4.07	3.77	3.01	2.89
22 Exchange Closed									
20	2.06	3.22	2.77	2.88	3.16	4.07	3.77	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
18	2.06	3.22	2.77	2.88	3.16	4.06	3.78	3.01	2.88
17	2.06	3.22	2.76	2.88	3.16	4.07	3.78	3.01	2.87
16	2.06	3.23	2.77	2.89	3.16	4.08	3.78	3.01	2.88
15	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.87
13	2.06	3.23	2.77	2.89	3.16	4.08	3.79	3.01	2.87
12 Exchange Closed									
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
10	2.06	3.23	2.76	2.89	3.17	4.10	3.80	3.02	2.87
9	2.06	3.23	2.77	2.89	3.17	4.10	3.81	3.02	2.87
8	2.06	3.23	2.77	2.89	3.17	4.10	3.80	3.02	2.88
6	2.06	3.23	2.76	2.90	3.17	4.09	3.80	3.02	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
4	2.06	3.24	2.77	2.90	3.17	4.10	3.80	3.02	2.88
3	2.06	3.23	2.76	2.90	3.17	4.09	3.80	3.02	2.88
2	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88
1	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.22	2.76	2.88	3.16	4.06	3.77	3.01	2.87
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Feb. 21, 1942	2.11	3.36	2.86	2.99	3.30	4.30	3.94	3.16	2.98
2 Years ago									
Feb. 21, 1941	2.12	3.42	2.80	3.02	3.39	4.45	4.03	3.19	3.02

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1942, page 202.

Steel Operations Off 0.6%—Lend-Lease Orders In Second Quarter To Be Heavy—Scrap Quiet

"Slightly higher steel production plus easier order volume may enable a temporary reduction of some steel company backlogs, but the slack is expected to be taken up quickly," says "The Iron Age" in its issue of today (Feb. 25), further adding in part as follows:

"According to reliable information, Lend-Lease steel orders are scheduled to be heavy during second quarter and will involve considerable semi-finished material. The volume of new orders in the past two weeks at some steel plants has been 8% to 15% below the level in the corresponding part of January. This has not had much effect on backlogs to date, however. The decline is attributed to the more practical attitude on actual needs forced by the new Controlled Materials Plan.

"Following last week's revelation in 'The Iron Age' that the Government is uncovering large quantities of idle steel, the question arose as to how large inventories could be built up in view of the tight situation which has prevailed for many months. According to a regional official administering the new CMP, the switch to CMP is showing that many steel buyers weren't operating in conformity with Government regulations. This would help account for at least part of the inventory material. Instead of getting under the old PRP plan (predecessor of CMP), a number of buyers ignorantly or deliberately continued operating on old preference ratings. Neither Government authorities nor suppliers of steel were aware of the irregularities which occurred.

"Present estimates on completion of some of the major steel expansion programs are running six months to one year behind the original schedule. Weak priorities are the cause, rather than any negligence on the part of the steel industry. The program got off to a bad start originally and finally ran headlong into urgent war needs and manpower and material shortages. Meanwhile, much confusion has been created in the public's appreciation of the expansion program due to the fact that the original program received widespread publicity while the effect of the eliminations made last fall was not fully appreciated.

"In the alloy steel field, at least part of the advantage gained by the introduction of new melting facilities is threatened by an increase in off-heats at a few plants. The bad heats are caused by heavy charges of alloy scrap turnings which are now over abundant. At least one major producer has advised customers that their favorable positions on melting schedules might not be so advantageous unless they accept higher residuals than they ordered. It was suggested strongly that the customers adopt substitute analysis or place their business on the basis of mechanical qualities rather than chemical specifications. The rise of off-heats is not industry-wide and should not occasion undue alarm at this time, but the effect on the aircraft industry's operations might constitute a threat eventually.

"Two recent directives issued by Donald M. Nelson have almost knocked the pins out from the ill-fated War Materials, Inc., an organization created last fall to help get more scrap. By fixing a maximum of $40 a gross ton as the amount which WMI can pay for recovered scrap, the scope of WMI was greatly restricted since it had been paying considerably higher than $40 per ton for buried street car rails and other scrap.

"Scrap markets have been quiet recently, and some experts do not expect another tight situation until late next fall, when additional supplies would be needed for certain new steel making units."

The American Iron and Steel Institute on Feb. 22 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.9% of the capacity for the week beginning Feb. 22, compared with 99.5% one week ago, 98.6% one month ago and 96.3% one year ago. This represents a decrease of 0.6 point or 0.6% from the preceding week. The operating rate for the week beginning Feb. 22 is equivalent to 1,691,900 tons of steel ingots and castings, compared to 1,702,100 tons one week ago, 1,686,700 tons one month ago, and 1,635,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 22 stated in part as follows: "Increasingly good balance is evident in the steel market as application of new methods of control is broadened. In general little change is noted, though sellers in the East feel a slightly stronger demand, mainly in small orders rather than large lots, while in the Midwest a lull in activity has appeared. On the other hand cancellations have practically ceased.

"A factor in the situation is permission for consumers to place orders for second quarter under PRP up to 70% of first quarter allowances, with the remaining 30% to be placed after March 31 on the same basis. Some orders are being issued now with information that CMP numbers will be furnished later. These orders carry priority ratings, which will govern schedules until the CMP numbers are supplied.

"Mill deliveries appear somewhat tighter in most products as more high preference tonnage is placed.

"Pig iron output in January failed to equal that of December, 5,136,543 net tons being made, with 57,702 tons of ferromanganese and spiegel. This compares with 5,143,829 tons of pig iron and 57,594 tons of ferroalloys in December. Operating rate was 100.7% of capacity in January, 101.1 in December.

"Tremendous increase in use of alloy steel for war purposes is indicated by statistics of the American Iron and Steel Institute for 1942. Total output of alloy ingots was 11,351,000 tons, 40% above the 1941 peak. The proportion of alloy steel to total steel through the year was about one in eight tons and at the close of the year it had risen to about one in six, with indications of a larger ratio this year. At the time of the first World War alloy steel represented about one ton in 50 of total production.

"War requirements for wire in many forms are crowding mills and orders are greater than production and shipments, exceeding those of January. Demand for wire normally used in civilian products is notably light. Wire rods are in short supply, with directives necessary in many cases.

"Conditions continue easy in the scrap market, reserves for several weeks having been accumulated by most steelmakers and shortages through the winter thus are averted. Receipts are about equal to current melt and little recourse to stockpiles is necessary."

Lumber Movement—Week Ended Feb. 13, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 437 mills reporting to the National Lumber Trade Barometer exceeded production by 20.0% for the week ended Feb. 13, 1943. In the same week new orders of these mills were 18.5% greater than production. Unfilled order files in the reporting mills amounted to 85% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 42 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 18.1%; orders by 21.9%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 124% greater; shipments were 130% greater, and orders were 121% greater.

FIC Banks Place Debs.

An offering of $31,875,000 consolidated debentures of the Federal Intermediate Credit Banks was made Feb. 16 by Charles R. Dunn, New York, fiscal agent for the banks. The aggregate included $11,385,000 0.65% debentures due Aug. 2, 1943, and $20,490.000 0.80% debentures due Dec. 1, 1943. All were dated March 1, 1943, and the offering price was par. The proceeds from the sale of the debentures went to pay off maturing issues amounting to $33,540,000, the balance for this purpose being from cash on hand. At the close of business March 1, 1943, the banks will have a total of $293,165,000 debentures outstanding.

Barring Post-War Planning Called False Economy

President Roosevelt on Feb. 16 criticized those Congressional economy advocates who voted to eliminate appropriations for post-war planning, charging that they were spendthrifts and their action will cost the nation billions.

Speaking of the recent action of a House Appropriations subcommittee in voting to deny funds to the National Resources Planning Board, the President told his press conference that he was in a little publicized role of saver of money and watchdog of the pocketbooks of the country.

Then he went on to say, according to the Associated Press, that the agency was compiling a backlog of work projects which could be started in the post-war years when people would be leaving jobs in war factories and soldiers would be coming home. Advance preparation of engineering and architectural details, he said, might save billions of dollars in time and employment.

The advices continued: At the same time, he said Congress had a perfect right to abolish the board, and that he had no objection if it would set up some other agency to do the job.

Discussing the Congressional economy efforts in general, Mr. Roosevelt said there had been much talk of curtailing non-war expenditures which currently involved only 3½% of total Government spending.

He commented that pages and pages of the Congressional Record would be taken up with discussion of efforts which might whittle non-war items from 3.5 to 3.4% of the total. He suggested it might be interesting to figure out whether the size of the saving would not be surpassed by the amount of Congressional salaries, secretarial salaries at the Capitol and cost of printing the Record—all the costs, he said, which might be assigned to legislative work on the pruning process.

Cotton Consumption In January

Under date of Feb. 15, 1943, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles in the month of January.

In the month of January, 1943, cotton consumed amounted to 915,479 bales of lint and 110,578 bales of linters, as compared with 935,511 bales of lint and 108,113 bales of linters in December, 1942, and 947,539 bales of lint and 116,279 bales of linters in January, 1942.

For the six months ending with Jan. 31 cotton consumption was 5,627,756 bales of lint and 685,353 bales of linters, against 5,390,724 bales of lint and 736,505 bales of linters in the same six months a year ago.

There were 2,506,639 bales of lint and 505,690 bales of linters on hand in consuming establishments on Jan. 31, 1943, which compares with 2,567,188 bales of lint and 503,124 bales of linters on Dec. 31, 1942, and with 2,497,795 bales of lint and 542,965 bales of linters on Jan. 31, 1942.

13,069,379 bales of lint and 90,713 bales of linters were on hand in public storage and at compresses on Jan. 31, 1943, and 13,576,030 bales of lint and 84,128 bales of linters on Dec. 31, 1942, and 12,857,476 bales of lint and 176,826 bales of linters on Jan. 31, 1942.

There were 22,889,954 cotton spindles active during January, 1943, which compares with 22,887,072 active cotton spindles during December, 1942, and with 23,087,308 active cotton spindles during January, 1942.

Moody's Daily Commodity Index

Tuesday, Feb. 16	246.2
Wednesday, Feb. 17	245.9
Thursday, Feb. 18	245.6
Friday, Feb. 19	246.1
Saturday, Feb. 20	245.8
Monday, Feb. 22	*
Tuesday, Feb. 23	246.9
Two weeks ago, Feb. 9	244.5
Month ago, Jan. 23	243.5
Year ago, Feb. 21	228.1
1942 High Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, Feb. 23	246.9
Low, Jan. 2	240.2

*Holiday.

Bankers' Dollar Acceptances Outstanding On January 30 Advance To $119,682,000

The volume of bankers' dollar acceptances advanced again in January, totaling $119,682,000 on January 30, it was reported on Feb. 15 in the monthly acceptance survey issued by the Federal Reserve Bank of New York. This amount was $1,643,000 above the Dec. 31, 1942 total, but still $77,596,000 below a year ago.

The monthly advance was due mainly to a sharp increase in credits for exports and slight advances in credits for imports and domestic warehouse credits. In the year-to-year comparison, only credits based on goods stored in or shipped between foreign countries were higher.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES
BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Jan. 30, '43	Dec. 31, '42	Jan. 31, '42
1 Boston	$23,131,000	$21,370,000	$30,392,000
2 New York	69,774,000	71,729,000	117,552,000
3 Philadelphia	5,886,000	4,897,000	9,917,000
4 Cleveland	1,828,000	1,919,000	4,305,000
5 Richmond	540,000	482,000	1,486,000
6 Atlanta	2,271,000	2,133,000	3,247,000
7 Chicago	3,999,000	4,170,000	5,786,000
8 St. Louis	225,000	314,000	794,000
9 Minneapolis	55,00	51,000	114,000
10 Kansas City	------	------	------
11 Dallas	521,000	295,000	2,833,000
12 San Francisco			
	11,450,000	10,679,000	20,852,000
Grand Total	$119,682,000	$118,039,000	$197,278,000

Increase for month $1,643,000 Decrease for year $77,596,000

ACCORDING TO NATURE OF CREDIT

	Jan. 30, '43	Dec. 31, '42	Jan. 31, '42
Imports	$57,111,000	$56,637,000	$115,889,000
Exports	12,269,000	9,124,000	16,662,000
Domestic shipments	11,052,000	11,456,000	11,676,000
Domestic warehouse credits	27,349,000	26,663,000	39,028,000
Dollar exchange	359,000	361,000	2,810,000
Based on goods stored in or shipped between foreign countries	11,542,000	13,798,000	11,213,000

BILLS HELD BY ACCEPTING BANKS

Owns Bills $60,263,000 Bills of Others $35,040,000 Total $95,303,000
Increase for month $1,947,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES FEB. 15, 1943

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	7/16
60	1/2	7/16
90	1/2	7/16
120	9/16	1/2
150	5/8	9/16
180	5/8	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Feb. 29, 1940:

1940—		1941—		1942—	
Feb. 29	$233,015,000	Feb. 28	$211,865,000	Feb. 28	$190,010,000
Mar. 30	229,705,000	Mar. 31	217,312,000	Mar. 31	182,675,000
Apr. 30	223,305,000	Apr. 30	219,561,000	Apr. 30	177,293,000
May 31	213,685,000	May 31	215,005,000	May 29	173,906,000
June 29	206,149,000	June 30	212,932,000	June 30	162,849,000
July 31	188,350,000	July 31	209,899,000	July 31	156,302,000
Aug. 31	181,813,000	Aug. 30	197,472,000	Aug. 31	139,304,000
Sept. 30	176,614,000	Sept. 30	176,801,000	Sept. 30	123,494,000
Oct. 31	186,786,000	Oct. 31	184,806,000	Oct. 31	118,581,000
Nov. 30	196,683,000	Nov. 29	193,590,000	Nov. 30	116,067,000
Dec. 31	208,659,000	Dec. 31	194,220,000	Dec. 31	118,039,000
1941—		1942—		1943—	
Jan. 31	$212,777,000	Jan. 31	$197,278,000	Jan. 30	$119,682,000

National Fertilizer Association Commodity Price Index Continues To Advance

The weekly wholesale commodity price index compiled by The National Fertilizer Association, and made public on Feb. 22, last week continued to advance to new high levels. Advancing for the eleventh consecutive week, this index is now 134.9% of the 1935-1939 average, compared with 134.6 in the preceding week, 133.7 a month ago, and 123.4 a year ago. The Association's report continued as follows:

The increase in the general level was due to higher prices of farm products and fractional gains in some industrial commodities. Despite slightly higher prices for corn meal and potatoes the food group index declined, due to lower prices for butter. The farm product price index rose still further as 10 items included in the group advanced and none declined. Advancing quotations for raw cotton lifted the textile price index to a new peak level. Higher quotations for raw cotton lifted the textile price index to a new peak level. Higher quotations for linseed oil resulted in another slight rise in the building materials group index. The miscellaneous commodity average was higher, due to gains in the prices of feedstuffs. The other groups in the composite index remained the same as in the preceding week.

During the week 17 price series included in the index advanced and 1 declined; in the preceding week there were 13 advances and 4 declines; in the second preceding week there were 11 advances and 7 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Feb. 20 1943	Preceding Week Feb. 13 1943	Month Ago Jan. 18 1943	Year Ago Feb. 21 1942
25.3	Foods	137.7	137.8	137.3	121.5
	Fats and Oils	148.1	148.5	148.5	135.6
	Cottonseed Oil	159.0	159.0	159.0	159.0
23.0	Farm Products	152.6	151.6	150.8	132.4
	Cotton	197.3	194.7	193.9	183.7
	Grains	136.3	134.1	138.7	121.0
	Livestock	149.5	149.0	147.2	124.6
17.3	Fuels	121.7	121.7	119.3	113.8
10.8	Miscellaneous commodities	129.4	129.2	129.3	127.2
8.2	Textiles	150.9	150.5	150.3	146.1
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	151.9	151.7	151.4	135.0
1.3	Chemicals and drugs	127.6	127.6	127.6	120.3
.3	Fertilizer materials	117.6	117.6	117.6	118.3
.3	Fertilizers	117.6	117.6	115.3	115.3
.3	Farm machinery	104.1	104.1	104.1	103.8
100.0	All groups combined	134.9	134.6	133.7	123.4

*Indexes on 1926-1928 base were Feb. 22, 1943, 105.1; Feb. 13, 1943, 104.9; Feb. 21, 1942, 96.1

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that for the first time in any week since February, 1929 production of soft coal has passed the 12,000,000-ton mark. The total output in the week ended Feb. 13, 1943, is estimated at 12,200 net tons, an increase of 320,000 tons, or 2.7%, over the preceding week. Production in the week of Feb. 14, 1942 was estimated at 11,039,000 tons. For the current year to date, output was 0.3% in excess of that for the corresponding period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Feb. 13, 1943, was estimated at 1,337,000 tons, a decrease of 7,000 tons (0.5%) from the preceding week. When compared with the output in the corresponding week of 1942, there was an increase of 169,000 tons, or 14.5%. The calendar year to date shows a gain of 2.1%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Feb. 13, 1943, showed an increase of 11,200, tons when compared with the output for the week ended Feb. 6, 1943. The quantity of coke from beehive ovens decreased 800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM
In Net Tons (000 omitted)

	Week Ended			January 1 to Date		
Bituminous coal and lignite—	Feb. 13 1943	Feb. 6 1943	†Feb. 14 1942	‡Feb. 13 1943	†Feb. 14 1942	Feb. 13 1937
Total, incl. mine fuel	12,200	11,880	11,039	71,209	70,983	61,761
Daily Averages	2,033	1,980	1,840	1,925	1,868	1,669
*Crude Petroleum—						
Coal equivalent of weekly output	6,200	6,172	6,533	39,020	43,075	32,434

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Revised. ‡Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Feb. 13 1943	Feb. 6 1943	Feb. 14 1942	Feb. 13 1943	Feb. 14 1942	Feb. 16 1929
*Total, incl. colliery fuel	1,337,000	1,344,000	1,168,000	6,995,000	6,850,000	11,020,000
†Commercial production	1,284,000	1,290,000	¶1,121,000	6,715,000	¶6,576,000	10,227,000
Beehive coke—						
United States total	158,700	159,500	161,000	967,600	959,000	780,200
By-product coke—						
United States total	1,220,400	1,209,200	1,166,700	7,629,100	7,562,900	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Feb.
State—	Feb. 6 1943	Jan. 30 1943	Feb. 7 1942	Feb. 8 1941	Feb. 6 1937	avge. ¶1923
Alaska	6	6	5	3	2	**
Alabama	374	381	368	340	296	409
Arkansas and Oklahoma	105	106	73	77	107	87
Colorado	189	192	180	150	240	231
Georgia and North Carolina	1	1	1	2	††	**
Illinois	1,454	1,388	1,321	1,232	1,423	1,993
Indiana	507	515	515	435	458	613
Iowa	61	67	75	71	127	136
Kansas and Missouri	217	204	168	155	203	174
Kentucky—Eastern	935	883	758	798	313	556
Kentucky—Western	307	300	273	240	60	226
Maryland	33	29	38	37	38	51
Michigan	8	7	10	13	29	26
Montana (bituminous and lignite)	88	101	65	62	84	80
New Mexico	37	38	34	25	50	58
North and South Dakota (lignite)	85	70	48	58	88	**37
Ohio	742	680	637	559	626	694
Pennsylvania (bituminous)	2,798	2,745	2,777	2,701	2,680	3,087
Tennessee	147	135	140	142	111	127
Texas (bituminous and lignite)	6	8	5	7	16	23
Utah	131	130	92	99	147	96
Virginia	398	380	344	350	270	212
Washington	38	36	39	41	62	77
*West Virginia—Southern	2,087	2,070	1,960	1,896	1,714	1,127
†West Virginia—Northern	926	820	829	705	709	673
Wyoming	198	207	156	119	165	156
‡Other Western States	2	1	1	1	††	**7
Total bituminous and lignite	11,880	11,500	r10,912	10,318	10,018	10,956
§Pennsylvania anthracite	1,344	1,322	1,150	1,183	1,093	1,902
Total all coal	13,224	12,822	12,062	11,501	11,111	12,858

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons. r Revised.

Pending Tax Plan Does Not Relieve Taxpayers From March 15 Payment

Secretary of the Treasury Morgenthau, Chairman Doughton of the House Ways and Means Committee, and Chairman George of the Senate Finance Committee on Feb. 15 joined in a radio discussion of income tax to emphasize that no pending tax plan will relieve taxpayers of the necessity of filing an income tax return and paying their first quarterly instalment on or before March 15. Prompt filing of the tax return was also urged in order to ease the work at Collector's offices.

Secretary Morgenthau said that the discussion of how to put taxpayers on a current basis had caused a misunderstanding among many people over the March 15 tax payment.

In clearing up this question, Representative Doughton said that there has been no cancellation of taxes on 1942 income, nor has there been any postponement.

In his remarks, Senator George said that Congress later on may readjust 1942 tax liabilities but that the March 15th payment will be credited to the taxpayer's account. As to the erroneous impression among some people that pay-as-you-earn will reduce the amount of taxes to be paid, Senator George said:

"Nothing could be farther from the truth. Pay-as-you-earn will make the payment of taxes more convenient, to be sure. But it is precisely because taxes are high and, what is more, going higher, that the need for a more convenient method of payment is today so great. It is day-dreaming to believe that a change-over in our method of tax collections means paying less taxes. The changeover will undoubtedly be followed by still higher taxes. It is of the utmost importance, therefore, that you make as large a payment as you possibly can on 1942 liabilities. Every dollar credited to your account on March 15th means so much less to pay later on when the burden will undoubtedly be greater.

"This is certainly no time for illusions—especially for illusions on the subject of taxes. With war expenditures increasing from day to day, the Government needs more, not less, revenues. Even cancellation in whole or in part of 1942 liabilities will only make it so much more necessary to increase taxes on 1943 incomes."

Issues Rules For 48-Hour Work Week

With respect to the President's Executive Order establishing the 48-hour week, Paul V. McNutt, Chairman of the War Manpower Commission, issued on Feb. 9 the following regulations to apply to the designated 32 "labor shortage areas," where the order is in effect:

"Those establishments in which the minimum work week is less than 48 hours are to stop recruiting at once unless they can go to a 48-hour week without need for releasing workers or due to expansion or production schedule still need more workers.

"They will go on a 48-hour week in such a manner as will assure orderly absorption of surplus workers by absorption or transfer within the employers' operations.

"No employer should prior to March 31 release workers for the purpose of attaining the 48 hour week. If by March 31, 1943, an employer has not attained a 48-hour week without the need for releasing workers for other employment, he will advise the areas representative of the War Manpower Commission of what number need be released to attain a 48-hour week. The employer will at that time present a proposed schedule for release of workers or for further absorption within his own plant in order to attain the 48-hour week. The area director will then authorize a proper schedule of release or absorption in terms of the local labor market needs.

"In cases where employers have not attained a 48-hour week by March 31, 1943 due to shortage of materials or other special circumstances beyond their control, their cases will be reviewed at that time by the War Manpower Commission area representative and provision will be made for proper adjustments.

"This order is not intended to interfere with work schedules designed to utilize workers who on account of other activities or limitations are available for part time work only."

An item listing the 32 labor shortage areas and giving the text of the 48-hour week order appeared in these columns Feb. 11, page 564.

Thurman Arnold Named To Federal District Court

President Roosevelt on Feb. 11 nominated Thurman W. Arnold of Connecticut to be an Associate Justice of the United States Court of Appeals for the District of Columbia. Mr. Arnold, who is Assistant Attorney General in charge of the Anti-Trust Division of the Department of Justice, was named to succeed Wiley B. Rutledge, new Associate Justice of the U. S. Supreme Court.

Changes In Holdings Of Reacquired Stock Of N. Y. Stock And Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Feb. 17. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allegheny Ludlum Steel Corp., common	3,496	1,171	(1)
Allied Kid Co., common	40,045	40,699	
Allied Stores Corp., 5% preferred	7,317	7,517	
American Machine & Metals, Inc., capital	------	10,000	
Armour & Co. (Delaware), 7% preferred	7,024	537	(2)
Armour & Co. (Illinois), common	6	4	(2)
Associates Investment Co., common	27,390	28,324	
5% cumulative preferred	7,310	1,242	(3)
Atlantic Gulf & West Indies Steamship Lines, 5% pfd.	23,700	24,100	
Blaw-Knox Co., capital	------	3,015	(4)
Borden Co. (The), capital	41,254	43,154	
Bucyrus-Erie Co., 7% preferred	11,438	11,473	
Burlington Mills Corp., cum. pfd. $2.75 ser.	2,600	------	(17)
Century Ribbon Mills, Inc., 7% preferred	------	211	
Chicago Yellow Cab Co., capital stock	37,268	38,369	
Consolidated Cigar Corp., 7% preferred	------	------	(5)
Consolidated Laundries Corp., common	37,800	39,100	
Continental Baking Co., 8% cumulative preferred	------	200	
Copperweld Steel Co., cumulative convertible preferred	5,699	6,299	
Cuneo Press, Inc. (The), 4½% cumulative preferred	------	------	(6)
Cushman's Sons, Inc., 7% cumulative preferred	------	------	(7)
Davega Stores Corp., common	12,350	13,850	
5% cumulative convertible preferred	200	300	
Detroit Edison Co. (The), common	4,735	4,095	(8)
Distillers Corp.-Seagrams, Ltd., cum. pfd. 5% ser.	------	------	(9)
Gaylord Container Corp., 5½% cum. conv. pfd.	------	------	(10)
General Motors Corp., common	3,764	41,171	
General Time Instruments Corp., 6% cum. pfd.	109	159	
Gillette Safety Razor Co., $5 conv. preference	13,349	13,649	
Goodyear Tire & Rubber Co. (The), $5 cum. conv. pfd.	7,012	7,312	
Howe Sound Co., common	32,891	33,591	
Insuranshares Certificates, Inc., common	------	------	(11)
Interstate Department Stores, Inc., 7% preferred	5,606	5,656	
Jewel Tea Co., Inc., common	2,684	2,664	
Jones & Laughlin Steel Corp., common	12	2	
5% preferred "A"	5	2	
5% preferred "B"	5	2	
McGraw-Hills Publishing Co., Inc., common	10,000	12,100	
National Cylinder Gas Co., common	2,240	2,311	(12)
National Department Stores Corp., 6% preferred	91,388	92,788	
National Steel Corp., common	5,650	5,150	
Neisner Bros., Inc., 4¾% cum. ser. pref.	69	------	(13)
Newport News Shipbuild. & Dry Dock Co., $5 cum. cv. pfd.	6,700	7,200	
Plymouth Oil Co., common	1,184	1,984	
Purity Bakeries Corp., common	33,569	33,169	(14)
Real Silk Hosiery Mills, Inc., 7% cum. pfd.	5,634	5,669	
Reliable Stores Corp., common	51,860	51,960	
Revere Copper & Brass, Inc., 7% preferred	300	------	(15)
5¼% preferred	488	258	(2)
Rustless Iron & Steel Corp., common	------	2	
Safeway Stores, 5% cumulative preferred	3,255	3,386	
Schenley Distillers Corp., 5½% cumulative preferred	5,420	5,620	
Sheaffer (W. A.) Pen Co., common	4,403	4,306	
Squibb (E. R.) & Sons, common	45,343	42,343	
Sterling Drug, Inc., capital	32	33	
Superheater Co. (The), common	118,250	122,350	
Swift & Co., capital	77,724	77,721	
Transamerica Corp., capital	1,110,000	1,110,944	
United Merchants & Mfrs., Inc., v. t. c. for common	12,004	17,404	
United States Hoffman Machinery, 5½% cum. conv. pfd.	------	------	(16)
United States Leather Co. (The), prior preference	3,245	3,645	
Willys-Overland Motors, Inc., 6% cum. conv. pfd.	59,155	62,720	

NOTES

(1) Issued to employees.
(2) Retirement.
(3) 6,305 shares retired in December; 237 shares acquired in January.
(4) 8,015 shares acquired; 5,000 shares sold.
(5) 560 shares acquired and retired.
(6) 550 shares acquired and retired.
(7) 417 shares acquired and retired.
(8) 640 shares delivered to employees under option agreements.
(9) 2,940 shares acquired and retired.
(10) 900 shares acquired and retired.
(11) 3,300 shares acquired and retired.
(12) Correction.
(13) 375 shares retired; 306 acquired.
(14) Due to exercise of options.
(15) 827 shares retired; 527 shares acquired.
(16) 570 shares acquired and retired.
(17) 1,000 shares acquired; 3,600 shares retired.

The New York Curb Exchange issued on Feb. 15 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
Air-Way Electric Appliance Corp., common	1,748	1,867
American General Corp., $2 div. ser. pfd.	9,931	10,381
Common	358,762	358,763
Blue Ridge Corp., $3 convertible pref.	9,600	10,450
Crown Central Petroleum Corp., common	583	584
Dejay Stores, Inc., common	11,966	12,166
Dennison Manufacturing Co., debenture stock	8,469	------
Prior preferred	6,715	------
"A" common	6,997	8,305
Detroit Gasket & Mfg. Co., 6% preferred	12,766	12,866
Equity Corp., $3 convertible preferred	51,673	51,773
General Finance Corp., 5% "A" preferred	------	*55,364
Ken-Rad Tube & Lamp Corp., "A" common	9,350	9,550
Klein (D. Emil) Co., Inc., common	17,069	17,269
Mangel Stores Corp., $5 convertible preferred	1,740	1,840
Midland Oil Corp., $2 convertible pref.	8,450	8,465
Nehi Corp., first preferred	1,977	77
New York Merehandise Co., Inc., common	121,937	123,537
Oilstocks, Ltd., capital	2,168	3,248
Sterchi Bros. Stores, Inc., 6% 1st preferred	246	------
5% 2nd preferred	290	------
Sterling, Inc., common	70,100	71,900
Tobacco & Allied Stocks, Inc., capital	100	1,130
Trunz, Inc., common	16,909	17,209

*Initial report.

Retail Food Costs Advanced 0.2% Between Mid-Dec. And Mid-Jan., Labor Dept. Reports

"An increase of 0.2% in the index of food costs between Dec. 15 and Jan. 12, marked the smallest monthly rise in a year," Secretary of Labor Perkins said on Feb. 14. "The advance was a result of continued moderate advances in prices of meats, dairy products and some other foods which are under OPA control, and sharp declines for some fresh fruits and vegetables, which had risen sharply in the last few months," she said. "Prices of foods under OPA control since May rose 0.6% during the month to a level 1.8% above last May. Prices of foods not controlled by OPA, making up about 10% of the family food bill, decreased 2.3% from mid-December to mid-January and now stand 27% above the May level. This is the first decline in uncontrolled foods since May and resulted partly because of normal seasonal declines and partly from contra-seasonal reactions from previous high peaks."

The Labor Department's announcement further said:

"The following table shows the trend of food prices from Dec. 15 to Jan. 12.

Group—	Percentage Change— Dec. 15, 1942 to Jan. 12, 1943	May 12, 1942 to Jan. 12, 1943
ALL FOODS	+0.2	+ 9.4
Foods under direct control Jan. 12, 1943	+0.6	+ 7.4
Controlled on May 18, 1942	+0.6	+ 1.8
*Brought under control since May 18, 1942	+0.3	+18.7
Foods not under direct control Jan. 12, 1943	—2.3	+27.2

*Includes peanut butter placed under control on May 18, exempted from control in August, and new ceilings set in December.

"On Jan. 12, the Bureau's index of food costs stood at 133% of the 1935-39 average, 9.4% above May 12, and 14% above a year ago.

"At the present time the family food bill is being affected by many factors other than price changes. Short supplies have forced the consumer to purchase substitutes which are not currently priced. Reports of black market operations for meats cannot be fully reflected in official reports. Difficulties in obtaining certain foods are being reported from all over the country.

"Among the principal increases during the past month were higher prices of meat, which rose 1.1%, with beef, veal, pork, and lamb increasing less than 1%, and prices of chickens and fish, used by many consumers as substitutes for the red meats, advancing by 3.3% and 2.9%, respectively.

"Prices of fresh milk rose 1.4% on the average, with 8 cities reporting increases in delivered milk prices and 13 showing increases for milk sold through stores. On Jan. 8, the Office of Price Administration set fixed markup ceilings for evaporated milk, to be determined before March 10, and the Bureau's average price rose 4.3% between Dec. 15 and Jan. 12. Despite the apparent nationwide butter shortage, the average price rose only 0.5%, while cheese, frequently used as a meat substitute, advanced 3%.

"Prices of canned and dried fruits and vegetables, coffee, lard and other shortenings, all under the markup type of OPA price ceiling, advanced by amounts ranging as high as 3.3% for dried navy beans, with reports indicating short supplies locally for most of these articles.

"Among the fresh vegetables not under OPA price control, lettuce dropped seasonally by 16.2%, while carrots and spinach moved downward 21.7% and 5.6% contra-seasonlly. Prices of oranges, grapefruit, and bananas, all under OPA price control, declined seasonally. The usual winter increases were reported for cabbage, green beans, apples, sweetpotatoes, onions, and potatoes. The first four are uncontrolled by OPA but the latter two are under the markup type of ceiling. The Department of Agriculture reports decreases in farm prices for truck crops and citrus fruits over the same period.

"Moderate increases in food prices were fairly general throughout the country. Thirty-four cities reported increases, 16 showed decreases, and one (Chicago) remained unchanged. Local variations were greatest for dairy products and fruits and vegetables. The largest increases in total food costs were reported in Norfolk, Buffalo, Atlanta, and Savannah where there were sharp increases for these foods. Declines in prices for fresh fruits and vegetables were reported in Detroit, St. Louis, and Los Angeles, where the largest decreases in total food costs occurred."

Index numbers of food costs by commodity groups for Jan. 12, 1943, Dec. 15, Nov. 17, May 12, March 17, and Jan. 13, 1942, and Aug. 15, 1939 are shown below:

INDEXES OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS
(Five-Year Average 1935-39 = 100)

Commodity Group—	Jan. 12 1943*	Dec. 15 1942	Nov. 17 1942	May 12 1942	Mar. 17 1942	Jan. 13 1942	Aug. 15 1939
ALL FOODS	133.0	132.7	131.1	121.6	118.6	116.2	93.5
Cereals and bakery products	105.8	†105.8	105.7	105.2	104.8	103.2	93.4
Meats	134.7	133.2	131.9	124.3	120.5	116.4	95.7
Beef and veal	128.2	127.5	126.6	124.1	119.7	120.4	99.6
Pork	125.5	125.2	124.8	123.2	117.5	107.2	88.0
Lamb	136.6	135.7	134.0	118.2	108.7	111.8	98.8
Chickens	139.4	134.9	133.5	113.4	112.2	107.3	94.6
Fish, fresh & canned	188.7	†183.3	177.9	150.9	158.9	145.1	99.6
Dairy products	134.2	132.3	131.8	123.3	121.7	121.5	93.1
Eggs	166.5	167.2	166.3	115.4	112.1	130.9	90.7
Fruits & vegetables	144.1	146.6	141.5	128.7	123.4	117.2	92.4
Fresh	147.1	151.0	144.6	130.0	123.7	119.0	92.8
Canned	129.2	†127.7	126.8	122.7	120.8	108.6	91.6
Dried	153.6	150.5	149.7	131.2	127.9	121.8	90.3
Beverages	124.5	124.5	124.6	124.6	119.6	115.5	94.9
Fats and oils	126.2	125.3	124.2	122.4	116.8	110.6	84.5
Sugar	127.4	127.7	127.0	127.1	128.5	118.5	95.6

*Preliminary. †Revised.

Study Of Post-War Economic Possibilities Urged To Further Industrial Reconversion

Banking and finance were urged to undertake studies of post-war economic possibilities to determine the role they can play in financing reconversion of industry to peace time operation and to aid in achieving new highs in production for peace, by Arthur R. Upgren, Vice-President and Economist of the Federal Reserve Bank of Minneapolis, in an address on Feb. 11 in New York, before the Wartime Conference on Trust Problems held by the American Bankers Association. "In the postwar period," Mr. Upgren declared, "in view of the excellent prospects for levels of civilian business and output that bid fair to be considerably higher than any known in the past, banking and finance are faced with a challenge to meet which it is most important that they be fully prepared to understand in advance." He went on to say:

"Banking and finance generally should now attempt to measure and judge with great care the immense role they can play immediately upon conclusion of the war to finance business in reconversion and in producing the high postwar output that can be expected. The quickness with which banking again takes over these functions will preserve for banking the great place it will have again established during the war and will assure restoration of the free economic system which is one of the objectives of the present struggle in which we are engaged.

"The first favorable factor for business after the war is found to be the high level of the national income that will prevail certainly until the war is ended, and in fact until war expenditures no longer dominate the economy in the immediate post-war year. A reasonably high level of national income and reasonably full employment, which can be had if we maintain a high level of income, should constitute our objective for the years after the war. The very high level of income itself which will continue until war expenditures have tapered off is the most powerful force for post-war recovery.

"This is true because consumers in the United States have not been able to use the high level incomes they have been receiving to purchase goods they want and could pay for with these incomes during the war. When the war is ended and goods can be made available to them again we can be fairly certain that they will want to use the high incomes they will be receiving to make good what is generally referred to as 'wartime starvation' of consumers. . . .

"The demand for goods by consumers will be extremely high after the war because the level of purchases, if high levels for the national income can be maintained, will be higher than any that have been known in the past. If a net national income of from 110 to 120 billion dollars can be maintained, the takings by consumers of all kinds of goods, and the requirements of both producers and consumers for construction and housing, and the demand for export and replenishing working inventories of civilian goods all give excellent promise of being reasonably adequate to close a new kind of gap. That gap is the one that will come when war expenditures are ended as a major factor in the economy."

ABA Issues Booklet On Banking Legislation

A summary in booklet form of Federal legislation affecting banking which was passed during the 77th Congress has been prepared by the Committee on Federal Legislation of the American Bankers Association and is being sent to all A. B. A members, it was announced on Feb. 15 by A. L. M. Wiggins, chairman of the committee, who is Vice-President of the Association and President of the Bank of Hartsville, of Hartsville, S. C.

The booklet contains digests of the more important laws and is intended to serve as a ready reference manual for all banks. It is divided into fourteen sections, as follows:

Revenue Acts of 1941 and 1942.
Public Debt Acts of 1941 and 1942.
Soldiers' and Sailors' Civil Relief Act Amendments of 1942.
Financial Aid to Small Business—Goverment Guaranteed Loans—Insured Banks as Government Depositories—Suspension of Federal Antitrust Laws.
Emergency Price Control Act of 1942.
Wage and Salary Stabilization.
RFC War Damage Insurance.
Federal Reserve Act Amendments.
Direct Purchase of Government Bonds by Federal Reserve Banks—Second War Powers Act.
Foreign Accounts in Federal Reserve Banks and FDIC Insured Banks.
First War Powers Act.
National Housing Act Amendments.
Temporary Federal Statutes Extended During 1941 and 1942.
Appendix: Bills Which Failed of Enactment.

Extra copies of the booklet may be obtained at A. B. A. headquarters. Copies of all laws discussed in the booklet may be obtained from the Association's Washington office.

Daily Average Crude Oil Production For Week Ended Feb. 13, 1943 Increased 17,450 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 13, 1943, was 3,870,800 barrels, a gain of 17,450 barrels over the previous week. The current figure, however, was 207,700 barrels per day less than during the corresponding period last year, and was 291,500 barrels below the daily average figure for the month of February, 1943, as recommended by the Petroleum Administration for War. Daily production for the four weeks ended Feb. 13, 1943 averaged 3,849,900 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,605,000 barrels of crude oil daily and produced 10,453,000 barrels of gasoline; 4,138,000 barrels of distillate fuel oil, and 7,573,000 barrels of residual fuel oil during the week ended Feb. 13, 1943; and had in storage at the end of that week 92,109,000 barrels of gasoline; 34,292,000 barrels of distillate fuels and 70,666,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coatst.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations February	*State Allowables Beginning Feb. 1	—Actual Production— Week Ended Feb. 13 1943	Change From Previous Week	4 Weeks Ended Feb. 13 1943	Week Ended Feb. 14 1942
Oklahoma	395,300	395,300	†352,600	+ 3,100	349,100	393,000
Kansas	310.500	310,500	†299,850	— 5,850	301,200	249,900
Nebraska	3,000	------	†2,350	----	2,350	4,403
Panhandle Texas			88,900	----	88,650	82,750
North Texas			135,350	----	136,000	145,650
West Texas			213,900	+12,800	204,300	300,050
East Central Texas			100,000	----	100,800	89,550
East Texas			325,100	----	326,350	368,150
Southwest Texas			157,750	— 9,050	154,500	219,350
Coastal Texas			320,000	----	314,400	297,150
Total Texas	1,452,000	‡1,452,714	1,341,000	+ 3,750	1,335,000	1,502,650
North Louisiana			91,550	+ 50	91,350	80,150
Coastal Louisiana			246,550	----	247,150	277,150
Total Louisiana	349,800	362,300	338,100	+ 50	338,500	357,300
Arkansas	78,700	74,826	75,700	— 150	74,400	74,100
Mississippi	50,000		†56,900	+ 2,550	56,000	88,250
Illinois	272,200		245,200	+ 6,700	238,300	342,900
Indiana	17,200		†15,700	— 2,650	16,250	17,600
Eastern (not incl. Ill. & Ind.)	114,600		94,550	+ 5,450	92,100	95,550
Michigan	63.700		63,200	+ 6,500	59,900	52,600
Wyoming	94,100		86,850	+ 350	87,150	89,000
Montana	24.700		21,450	+ 50	21,900	21,550
Colorado	7,000		7,250	+ 200	6,750	6,600
New Mexico	105,800	105,800	96,600	— 1,700	97,900	120,750
Total east of Calif.	3,338,600		3,097,300	+18,350	3,077,850	3,416,150
California	823,700	§823,700	773,500	— 900	772,050	662,350
Total United States	4,162,300		3,870,800	+17,450	3,849,900	4,078,500

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in November, 1942, as follows: Oklahoma, 29,900; Kansas, 5,800; Texas, 106,300; Louisiana, 20,800; Arkansas, 3,000; Illinois, 10,300; Eastern (not including Illinois and Indiana), 11,500; Michigan, 100; Wyoming, 2,600; Montana, 300; New Mexico, 5,800; California, 42,100.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Feb. 3.

‡This is the net basic allowable as of Feb. 1 calculated on a 28-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 13 days, the entire state was ordered shut down for 10 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent of 10 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 13, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

	Daily Refining Capacity		Crude Runs to Stills		Figures in this section include reported totals plus an estimate of unreported amounts and are —therefore on a Bureau of Mines basis—			
District—	Potential Rate	% Reporting	Daily Average	% Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.2	1,562	63.9	4,739	40,254	16,094	10,629
Appalachian	177	84.8	148	83.6	434	3,016	686	586
Ind., Ill., Ky.	811	85.0	731	90.1	2,194	19,109	4,182	2,689
Okla., Kansas, Mo.	416	80.1	351	84.4	1,117	7,520	1,386	1,385
Rocky Mountain	147	48.0	83	56.5	314	1,943	372	518
California	817	89.9	730	89.4	1,655	20,267	11,572	54,859
Tot. U. S. B. of M. basis Feb. 13, 1943	4,812	85.9	3,605	74.9	10,453	†92,109	34,292	70,666
Tot. U. S. B. of M. basis Feb. 6, 1943	4,812	85.9	3,692	76.7	10,479	90,253	35,503	71,095
U. S. Bur. of Mines basis Feb. 14, 1942			3,764		12,416	104,554	37,465	88,759

*At the request of the Petroleum Administration for War. †Finished, 82,203,000 barrels; unfinished, 9,906,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 4,138,000 barrels of gas oil and distillate fuel and 7,573,000 barrels of residual fuel oil produced during the week ended Feb. 13, 1943, which compares with 4,220,000 barrels and 7,690,000 barrels, respectively, in the preceding week, and 3,799,000 barrels and 6,813,000 barrels, respectively, in the week ended Feb. 14, 1942.

Civil Engineering Construction Gains 39% Over Week Ago

Civil engineering construction volume for the week, $98,861,000, is 39% above the total for the preceding week, and compares with $102,218,000 reported for the holiday-shortened week in 1942, according to "Engineering News-Record" on Feb. 18. Private construction is 3% lower than a week ago, but public work is 43% higher as a result of the gains in both State and municipal construction and Federal work. Federal volume, which makes up 93% of the week's total, is 43% above last week, and State and municipal is 37% higher. The report also added:

The current week's new construction brings 1943 volume to $478,422,000, an average of $68,346,000 for each of the seven weeks of the year. On the weekly average basis, the total is 45% below a year ago, private work is 61% lower, and public construction is down 43%.

Civil engineering construction volumes for the short 1942 week, last week, and the current week are:

	Feb. 19, 1942 (four days)	Feb. 11, 1943 (five days)	Feb. 18, 1943 (five days)
Total Construction	$102,218,000	$70,939,000	$98,861,000
Private Construction	26,690,000	5,532,000	5,386,000
Public Construction	75,528,000	65,407,000	93,475,000
State and Municipal	12,533,000	1,225,000	1,674,000
Federal	62,995,000	64,182,000	91,801,000

In the classified construction groups, gains over last week are in bridges, commercial and public buildings, streets and roads, and unclassified construction. Gains over the short week last year are in public buildings, and unclassified construction. Subtotals for the week in each class of work are: waterworks, $409,000; sewerage, $784,000; bridges, $196,000; industrial buildings, $719,000; commercial buildings and large-scale private housing, $4,275,000; public buildings, $63,078,000; earthwork and drainage, $314,000; streets and roads, $2,437,000, and unclassified construction, $26,649,000.

New capital for construction purposes for the week totals $9,220,000 and is made up entirely of State and municipal bond sales. The week's new financing brings 1943 volume to $14,667,000, a figure that compares with $1,369,231,000 reported for the eight-week period in 1942.

Non-Ferrous Metals—March Allocations To Brass Mills—Copper Miners Jobs Frozen

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 18, stated: "Market developments in non-ferrous metals during the last week centered around March allocations of copper to the brass mills and an increased volume of business in lead. The industry was deeply interested in the situation in Washington that resulted in the appointment of Charles E. Wilson as Executive Vice-Chairman of WPB. Donald M. Nelson, Chairman of WPB, asked for the resignation of Ferdinand Eberstadt. The Controlled Materials Plan will probably be modified under the new leadership, Washington observers believe, and the production program covering major non-ferrous metals will come in for general overhauling." The publication further went on to say in part:

Copper

Brass mills obtained word on Feb. 15 on tonnages allotted to them by WPB for March. Wire mills will be notified shortly. Quotations on domestic and foreign copper were unchanged.

The Copper Division of WPB has been reorganized into four staff sections and nine operating branches, H. O. King, chief of the division, announced Feb. 16. The staff functions cover programs, under F. R. Kenney; distribution, under A. R. Mosler; resources, under G. B. Holderer; and administration, under V. H. Arnold.

The nine operating branches are: Primary Production, Frank A. Ayers, chief; Secondary Production, J. J. Hines, Jr., chief; Brass Mill, J. W. Douglas, chief; Wire Mill, E. H. Hammond, Jr., chief; Foundry, L. W. Taylor, chief; Mill Facilities, F. R. Pyne, chief; Scrap, G. P. Norton, chief; Copper Recovery, J. A. Wright, chief; and Conservation (chief not yet named).

About 55,000 workers, nearly one-half of whom are engaged in producing copper in Arizona, have been frozen to their jobs, under a stabilization order issued Feb. 15 by Henry K. Arneson, Arizona State Director of the War Manpower Commission. The order provides that workers in designated essential industries may change their jobs only if they have a certificate of availability from the United States Employment service or the War Manpower Committee. Similar action was taken in California, Nevada, Oregon, and Washington.

Lead

With the monthly meeting of members of the trade and WPB officials on allocations of foreign lead scheduled for Feb. 24, producers booked business in domestic metal for March delivery more freely during the last week. Sales for the week in common lead were 138% in excess of those of the week previous. Metals Reserve released additional tonnages for February shipment. The price situation was unchanged.

Sales of lead pigments in 1942 were about 23% lower than in 1941, according to Bureau of Mines. Sales of dry white lead were 35% below 1941, white lead in oil 16%, and red lead 12%. White lead sales, dry and in oil, totaled 84,200 tons in 1942, against 112,000 tons in 1941. Red lead sales in 1942 came to 47,300 tons, against 53,838 tons in 1941.

Zinc

Word on March allocations of zinc is expected next week. Production of galvanized sheet will be concentrated in a few plants, WPB has announced, to make for increased efficiency in handling steel sheets in the war program. The market situation in zinc was unchanged. Prime Western holding on the basis of 8¼¢, St. Louis.

In the official analysis of the general provisions of the trade agreement between the United States and Mexico, signed Dec. 23, 1942, it is stated that after the termination of the national emergency "the rates in effect before the conclusion of the Mexican agreement will be restored and bound against increase." Some members of the domestic zinc industry are disturbed about the phrase "bound against increase," contending that such action in reference to the import duty on zinc would nullify the escape clauses contained in the agreement. It would, in effect, place a ceiling on the import duty of 1.4¢ per pound for slab zinc and 1.2¢ per pound for zinc contained in ore. The prevailing rate under the Mexican agreement is 0.875¢ for slab zinc and 0.750¢ for zinc in ore.

Tin

According to the "Metal Bulletin," London, the Belgian Minister of Colonies has stated that the Belgian Congo is now producing tin at the rate of 21,000 tons a year, compared with 12,000 tons a year in 1941. By 1945, he said, production should reach 45,000 tons.

Preference ratings for construction of ten detinning and recovery plants, involving the expenditure of $12,059,507, have been revoked by WPB, to divert machinery and equipment for more essential war work. This action does not indicate an easing of either the tin or scrap steel situation, it was pointed out in Washington.

Quotations for tin remained unchanged on the basis of 52¢ a pound for "Grade A." Straits quality tin for forward shipment was as follows:

	Feb.	March	April
Feb. 11	52.000	52.000	52.000
Feb. 12		—Holiday—	
Feb. 13	52.000	52.000	52.000
Feb. 15	52.000	52.000	52.000
Feb. 16	52.000	52.000	52.000
Feb. 17	52.000	52.000	52.000

Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

Advices from London indicate that production of quicksilver in Spain has been increased this winter. What disposition will be made of the metal is not known. The feeling prevails here that stocks of quicksilver in that country must be fairly large.

The domestic market for quicksilver remains a routine affair. There is no marketing problem in disposing of production so long as Metals Reserve stands ready to accumulate supplies for the stockpile. Quotations in New York continued at $196 to $198 per flask, nearby positions.

Silver

During the past week the silver market in London has been quiet, with the price unchanged at 23½d.

The New York Official and the U. S. Treasury prices are also unchanged at 44¾¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc, and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Brazil Signs Pact Of United Nations

Brazil's adherence to the Declaration of the United Nations was announced in Rio de Janeiro on Feb. 6 thus proclaiming its full partnership in the war against Japan as well as Germany and Italy.

Brazil had formally been at war with the European Axis countries since last Aug. 22 but not against Japan, although being an ally of the United States.

By the decision to sign the pact of the United Nations, Brazil pledges its complete resources for the prosecution of the war and promises not to sign a separate peace. In addition to this action, Brazil subscribed to the principles of the Atlantic Charter, on which are based the hopes for a better future for the world.

Brazil's declaration of war on Germany and Italy was referred to in these colums Aug. 27, 1942, page 727.

The action of Brazil follows President Roosevelt's recent visit to that country and his conferences with President Vargas, noted in our Feb. 4 issue, page 493.

Treasury Calls Bonds

Secretary of the Treasury Morgenthau announced on Feb. 13, that all outstanding 3⅜% Treasury Bonds of 1943-47 are called for redemption on June 15, 1943. Approximately $454,000,000 of these bonds are now outstanding.

The Secretary stated that the bonds will be paid off in cash, and holders will not be offered other obligations of the United States in exchange for their called bonds.

Plans to call these bonds were noted in these columns of Feb. 4, page 492.

Wholesale Commodity Index Advanced 0.1% During Week Ended Feb. 13, Says Labor Dept.

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Feb. 18 that prices in primary markets advanced 0.1% during the second week of February as a result of further gains in quotations for agricultural commodities and their products. The all-commodity index of the Bureau now stands at 102.1% of the 1926 average, 6% higher than at this time last year.

The Bureau's announcement further stated:

"**Farm Products and Foods**—Let by a gain of 1.1% in livestock markets, average prices for farm products advanced 0.3% during the week to a new war-time high. Hogs and steers both rose by about 2% and prices were also higher for eggs, for milk at wholesale in the Chicago market, and for flaxseed, oranges, onions, and potatoes. Prices for all grains weakened. Corn, oats, and rye dropped about 4% and wheat was down 0.5%. In the past 4 weeks prices of farm products have advanced 1.7% and they are nearly 18% higher than at this time last year.

"Average prices for foods in primary markets rose 0.4% during the week as a result of higher prices for flour, for milk and butter in some markets, and for certain fresh fruits and vegetables. Foods as group are 12% higher than in mid-February a year ago.

"Higher quotations for bran and middlings brought average prices for cattle feed up 0.8%.

"**Industrial Commodities**—There was very little movement in prices for industrial commodities. Bituminous coal and coke advanced slightly and a 2% increase was reported in prices for Pennsylvania fuel oil. Boxboard continued to advance and quotations for maple flooring were somewhat higher than for last week. Prices for rosin continued weak.

"The index for chemicals and allied products was adjusted upward because of an increase in coal tar which became effective several months go."

The Bureau makes the following notation:

"During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports."

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for Jan. 16, 1943 and Feb. 14, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

						Percentage changes to Feb. 13, 1943 from		
Commodity Groups—	2-13 1943	2-6 1943	1-30 1943	1-16 1943	2-14 1942	2-6 1943	1-16 1943	2-14 1942
All commodities	*102.1	*102.0	*101.8	*101.6	96.2	+0.1	+0.5	+ 0.1
Farm products	118.6	118.2	117.7	116.6	100.7	+0.3	+1.7	+17.8
Foods	105.5	105.1	105.0	104.8	94.0	+0.4	+0.7	+12.2
Hides and leather products	118.4	118.4	118.4	118.4	116.1	0	0	+ 2.0
Textile products	96.8	96.8	96.8	96.7	93.6	0	+0.1	+ 3.4
Fuel and lighting materials	80.4	80.4	80.1	80.1	78.7	0	+0.4	+ 2.2
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.6	0	0	+ 0.3
Building materials	110.1	110.1	110.1	110.0	109.8	0	+0.1	+ 0.3
Chemicals and allied products	100.0	99.5	99.5	99.5	96.9	+0.5	+0.5	+ 3.2
Housefurnishing goods	104.1	104.1	104.1	104.1	104.0	0	0	+ 0.1
Miscellaneous commodities	90.6	90.5	90.5	90.5	89.0	+0.1	+0.1	+ 1.8
Raw materials	108.9	108.6	108.3	107.6	96.4	+0.3	+1.2	+13.0
Semimanufactured articles	92.7	92.5	92.5	92.5	91.9	+0.2	+0.2	+ 0.9
Manufactured products	*100.5	*100.4	*100.3	*100.3	96.9	+0.1	+0.2	+ 3.7
All commodities other than farm products	*98.6	*98.5	*98.4	*98.3	95.2	+0.1	+0.3	+ 3.6
All commodities other than farm products and foods	*96.4	*96.4	*96.3	*96.3	94.9	0	+0.1	+ 1.6

*Preliminary.

January Department Store Sales In New York Federal Reserve District 9% Below Year Ago

The Federal Reserve Bank of New York announced on Feb. 18 that January sales of department stores in the Second (New York) Federal Reserve District decreased 9% below a year ago. Stocks of merchandise on hand in department stores at the end of January were 9% above a year ago.

The apparel stores in the New York Reserve District reported a loss of 7% in net sales in January and their stocks on hand on Jan. 31 were 12% above last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: JANUARY, 1943

Second Federal Reserve District

	Percentage changes from a year earlier	
	Net Sales	Stock on hand, Jan. 31, 1943
Department Stores—		
*New York City	— 9	+11
*Northern New Jersey	—15	0
*Newark	—13	— 1
Westchester and Fairfield Counties	—14	+17
Bridgeport	—16	+20
*Lower Hudson River Valley	—13	0
*Poughkeepsie	—11	--
*Upper Hudson River Valley	—20	+21
Albany	—26	--
Central New York State	— 2	+ 3
Mohawk River Valley	+ 8	+15
Syracuse	— 5	— 1
*Northern New York State	—13	--
Southern New York State	+ 2	+18
Binghamton	+ 5	--
Elmira	— 7	--
Western New York State	— 4	+ 5
Buffalo	— 2	+ 8
Niagara Falls	+29	0
Rochester	— 8	+ 2
*All department stores	— 9	+ 9
*Apparel stores	— 7	+12

*Subject to possible revision.
25 Shopping days, 1943.
26 Shopping days, 1942.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1923-25 average = 100]

	1942			1943
	Jan.	Nov.	Dec.	Jan.
Sales (average daily), unadjusted	r102	144	r215	97
Sales (average daily), seasonally adjusted	r130	121	119	123
Stocks, unadjusted	100	151	118	108
Stocks, seasonally adjusted	110	134	r121	118

r Revised.

Trading On New York Exchanges

The Securities and Exchange Commission made public Feb. 19 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 6, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Feb. 6 (in round-lot transactions) totaled 1,710,550 shares, which amount was 15.45% of total transactions on the Exchange of 5,536,300 shares. This compares with member trading during the week ended Jan. 30 of 2,064,060 shares, or 16.86% of total trading of 6,122,290 shares. On the New York Curb Exchange, member trading during the week ended Feb. 6 amounted to 326,095 shares, or 13.83% of the total volume of that Exchange of 1,178,795 shares; during the Jan. 30 week trading for the account of Curb members of 336,260 shares was 14.93% of total trading of 1,126,375 shares.

The Commission made available the following data for the week ended Feb. 6:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	*N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	944	657
1. Reports showing transactions as specialists	171	87
2. Reports showing other transactions initiated on the floor	177	16
3. Reports showing other transactions initiated off the floor	207	75
4. Reports showing no transactions	495	518

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED FEBRUARY 6, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	112,980	
‡Other sales	5,423,320	
Total sales	5,536,300	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	383,850	
Short sales	46,800	
‡Other sales	360,650	
Total sales	407,450	7.15
2. Other transactions initiated on the floor—		
Total purchases	251,170	
Short sales	14,800	
‡Other sales	277,530	
Total sales	292,330	4.91
3. Other transactions initiated off the floor—		
Total purchases	204,940	
Short sales	26,400	
‡Other sales	144,410	
Total sales	170,810	3.39
4. Total—		
Total purchases	839,960	
Short sales	88,000	
‡Other sales	782,590	
Total sales	870,590	15.45

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED FEBRUARY 6, 1943

	Total for week	†Per cent
A. Total Round-Lot Sales:		
Short sales	6,435	
‡Other sales	1,178,360	
Total sales	1,178,795	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	102,765	
Short sales	5,835	
‡Other sales	96,685	
Total sales	102,520	8.71
2. Other transactions initiated on the floor—		
Total purchases	26,900	
Short sales	0	
‡Other sales	26,150	
Total sales	26,150	2.25
3. Other transactions initiated off the floor—		
Total purchases	32,660	
Short sales	0	
‡Other sales	35,100	
Total sales	35,100	2.87
4. Total—		
Total purchases	162,325	
Short sales	5,835	
‡Other sales	157,935	
Total sales	163,770	13.83
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	35,774	
Total purchases	35,774	
Total sales	26,518	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 19 a summary for the week ended Feb. 13 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Feb. 13, 1943

	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	16,676
Number of Shares	472,580
Dollar Value	15,353,189
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	129
*Customers' other sales	15,110
Customers' total sales	15,239
Number of Shares:	
Customers' short sales	4,243
*Customers other sales	410,863
Customers' total sales	415,106
Dollar Value	11,756,490
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	80
†Other sales	88,000
Total sales	88,080
Round-lot Purchases by Dealers—	
Number of Shares	156,640

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Independent Offices Bill Passed By House

The House on Feb. 17 approved a $2,610,000,000 Independent Offices Appropriation Bill for the fiscal year 1944, with about 90% of the funds in the measure directly related to the war effort.

The Budget estimate for this bill was $2,627,552,585, but the House Appropriations Committee reduced this total by $6,448,206 and the other reductions were made on the House floor. A major part of the reduction was accomplished by the Committee's elimination of a recommended $1,400,000 for the National Resources Planning Board, which is headed by Frederic H. Delano, the President's uncle. Other large cuts made by the Committee were $750,000 in the funds for the Securities and Exchange Commission and of $1,178,000 from the Civil Service Commission fund. During House action on the bill on Feb. 17 an attempt to include funds for the National Resources Planning Board was blocked on a parliamentary technicality, according to the Associated Press, which said:

"The move to give the Board new funds was made by Representative Magnuson (Dem., Wash.) through an amendment which would have provided an appropriation of $415,000 for a national resources planning 'council.'

"Representative Dirksen (Rep., Ill.), a member of the Appropriations Committee, promptly protested that the amendment could not be offered to the appropriations bill under parliamentary rules because it would provide funds for an agency which has not been created by Act of Congress."

The principal change made on the House floor was a cut of $3,831,466 from the Home Owners' Loan Corporation. This Republican-sponsored motion to give impetus to eventual liquidation of the HOLC was approved on a roll-call vote of 224 to 159.

The major items included in the bill are $1,289,780,000 for the Maritime Commission and $887,017,000 for the Veterans Administration.

Revenue Freight Car Loadings During Week Ended Feb. 13, 1943 Amounted To 764,950 Cars

Loading of revenue freight for the week ended Feb. 13, 1942, totaled 764,950 cars, the Association of American Railroads announced on Feb. 18, 1943. This was a decrease below the corresponding week of 1942, of 17,751 cars or 2.3%, but an increase above the same week in 1941, of 43,774 cars or 6.1%.

Loading of revenue freight for the week of Feb. 13, increased 9,564 cars or 1.3% above the preceding week.

Miscellaneous freight loading totaled 363,828 cars, an increase of 6,235 cars above the preceding week, and an increase of 11,936 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 94,071 cars, an increase of 2,594 cars above the preceding week, but a decrease of 57,446 cars below the corresponding week in 1942.

Coal loading amounted to 178,447 cars, an increase of 4,263 cars above the preceding week, and an increase of 23,722 cars above the corresponding week in 1942.

Grain and grain products loading totaled 48,264 cars, a decrease of 3,760 cars below the preceding week, but an increase of 9,519 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Feb. 13 totaled 32,887 cars, a decrease of 2,655 cars below the preceding week but an increase of 7,635 cars above the corresponding week in 1942.

Live stock loading amounted to 12,471 cars, a decrease of 210 cars below the preceding week, but an increase of 1,274 cars above the corresponding week in 1942. In the Western Districts alone loading of live stock for the week of Feb. 13, totaled 8,833 cars, a decrease of 309 cars below the preceding week, but an increase of 734 cars above the corresponding week in 1942.

Forest products loading totaled 38,243 cars, an increase of 1,002 cars above the preceding week but a decrease of 9,360 cars below the corresponding week in 1942.

Ore loading amounted to 14,025 cars, a decrease of 1,234 cars below the preceding week but an increase of 1,105 cars above the corresponding week in 1942.

Coke loading amounted to 15,601 cars, an increase of 724 cars above the preceding week, and an increase of 1,499 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Eastern and Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
Week of Feb. 6	755,386	783,962	710,196
Week of Feb. 13	764,950	782,701	721,176
Total	5,051,185	5,425,142	4,885,781

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 13, 1943. During this period only 53 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED FEB. 13

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	262	661	525	1,280	1,630
Bangor & Aroostock	2,450	1,959	1,939	187	220
Boston & Maine	5,920	8,229	7,838	14,597	13,768
Chicago, Indianapolis & Louisville	1,353	1,393	1,201	2,046	2,300
Central Indiana	38	25	16	55	66
Central Vermont	891	1,242	1,200	2,102	2,085
Delaware & Hudson	6,366	6,609	6,608	11,835	11,102
Delaware, Lackawanna & Western	7,558	8,923	9,740	11,145	9,329
Detroit & Mackinac	210	277	223	111	152
Detroit, Toledo & Ironton	1,803	2,293	3,283	2,144	1,875
Detroit & Toledo Shore Line	292	307	389	3,609	3,786
Erie	12,054	14,222	13,441	19,055	16,050
Grand Trunk Western	3,867	4,508	5,650	8,733	8,418
Lehigh & Hudson River	184	208	135	3,062	4,108
Lehigh & New England	1,966	1,702	1,747	1,560	1,670
Lehigh Valley	8,305	8,737	8,898	12,146	9,762
Maine Central	2,457	3,496	3,573	4,022	3,602
Monongahela	6,451	6,079	5,033	359	425
Montour	2,624	1,799	2,095	24	33
New York Central Lines	43,495	45,518	45,050	57,363	51,078
N. Y., N. H. & Hartford	9,478	12,592	10,892	17,786	17,579
New York, Ontario & Western	1,018	1,075	1,121	2,268	2,175
New York, Chicago & St. Louis	7,189	7,132	5,499	15,178	14,369
N. Y., Susquehanna & Western	448	530	407	1,336	1,330
Pittsburgh & Lake Erie	7,374	7,816	7,732	8,202	7,175
Pere Marquette	4,261	5,345	6,275	7,963	6,378
Pittsburg & Shawmut	735	550	603	10	38
Pittsburg, Shawmut & North	360	391	441	241	281
Pittsburgh & West Virginia	798	662	929	4,175	2,091
Rutland	296	491	536	841	1,120
Wabash	5,799	5,722	5,778	12,583	11,306
Wheeling & Lake Erie	4,942	4,543	4,473	6,040	4,180
Total	151,249	165,136	163,270	232,058	209,481
Allegheny District—					
Akron, Canton & Youngstown	780	734	541	1,197	1,081
Baltimore & Ohio	38,898	39,253	34,701	28,531	22,864
Bessemer & Lake Erie	3,331	3,153	3,220	1,777	1,440
Buffalo Creek & Gauley	316	303	279	3	5
Cambria & Indiana	2,009	1,964	1,972	4	15
Central R. R. of New Jersey	6,617	7,583	7,263	20,674	17,705
Cornwall	488	619	622	75	89
Cumberland & Pennsylvania	252	321	327	9	11
Ligonier Valley	98	119	184	27	50
Long Island	948	873	718	3,865	3,469
Penn-Reading Seashore Lines	1,552	1,769	1,345	2,502	2,016
Pennsylvania System	74,106	77,762	70,734	62,889	57,932
Reading Co.	14,536	16,141	16,005	29,636	25,803
Union (Pittsburgh)	20,955	20,126	20,098	4,811	3,559
Western Maryland	3,958	3,987	3,871	14,303	10,615
Total	168,844	174,707	161,880	170,303	146,654
Pocahontas District—					
Chesapeake & Ohio	28,150	23,566	23,673	11,052	10,190
Norfolk & Western	22,651	20,920	22,203	7,881	6,180
Virginian	5,114	3,953	4,602	2,147	1,987
Total	55,915	48,439	50,478	21,080	18,357
Southern District—					
Alabama, Tennessee & Northern	333	395	239	336	318
Atl. & W. P.—W. R. R. of Ala.	833	921	780	2,479	2,142
Atlanta, Birmingham & Coast	675	830	692	1,409	1,123
Atlantic Coast Line	14,731	13,072	10,846	10,628	8,538
Central of Georgia	4,010	4,499	4,438	4,830	3,906
Charleston & Western Carolina	440	423	432	1,651	1,684
Clinchfield	1,683	1,605	1,603	2,933	2,846
Columbus & Greenville	355	262	271	205	279
Durham & Southern	112	189	165	506	544
Florida East Coast	3,243	1,467	918	1,684	1,214
Gainesville Midland	40	37	35	97	105
Georgia	1,507	1,514	1,172	2,699	2,294
Georgia & Florida	428	406	341	537	662
Gulf, Mobile & Ohio	*3,621	4,448	3,684	*5,307	3,713
Illinois Central System	28,331	28,913	22,415	17,268	14,720
Louisville & Nashville	25,123	24,711	23,543	11,672	8,542
Macon, Dublin & Savannah	167	204	175	865	744
Mississippi Central	214	138	163	573	482
Nashville, Chattanooga & St. L.	3,354	3,364	3,137	5,031	3,613
Norfolk Southern	1,204	1,201	1,127	1,647	1,408
Piedmont Northern	343	526	420	1,077	1,598
Richmond, Fred. & Potomac	381	445	403	9,492	8,983
Seaboard Air Line	10,796	10,745	10,395	9,145	7,572
Southern System	22,021	24,695	23,980	24,721	21,986
Tennessee Central	505	558	496	907	728
Winston-Salem Southbound	111	147	143	1,233	850
Total	124,564	125,715	112,013	118,932	100,594
Northwestern District—					
Chicago & North Western	14,390	18,152	15,410	12,403	13,560
Chicago Great Western	2,459	2,819	2,337	3,060	3,069
Chicago, Milw., St. P. & Pac.	18,826	21,686	20,146	10,428	9,497
Chicago, St. Paul, Minn. & Omaha	3,646	4,512	3,963	3,612	3,894
Duluth, Missabe & Iron Range	1,241	1,157	910	297	469
Duluth, South Shore & Atlantic	543	774	624	520	572
Elgin, Joliet & Eastern	9,101	10,027	8,444	10,855	10,655
Ft. Dodge, Des Moines & South	415	492	412	115	149
Great Northern	9,575	11,308	9,482	4,695	4,578
Green Bay & Western	470	540	501	882	786
Lake Superior & Ishpeming	213	371	248	49	62
Minneapolis & St. Louis	1,863	2,189	1,604	2,033	2,328
Minn., St. Paul & S. S. M.	4,444	5,693	4,955	3,223	3,340
Northern Pacific	8,353	10,391	9,205	4,213	4,444
Spokane International	43	93	66	444	293
Spokane, Portland & Seattle	1,537	2,693	2,011	2,946	2,469
Total	77,119	92,897	80,318	59,775	60,165
Central Western District—					
Atch., Top. & Santa Fe System	20,571	20,877	17,945	12,350	8,680
Alton	3,031	3,300	3,202	4,305	3,239
Bingham & Garfield	537	529	367	77	105
Chicago, Burlington & Quincy	17,526	17,058	15,408	12,068	11,068
Chicago & Illinois Midland	2,767	3,055	2,543	919	799
Chicago, Rock Island & Pacific	11,845	11,784	10,886	13,624	11,324
Chicago & Eastern Illinois	2,300	3,006	2,644	6,230	3,00[illegible]
Colorado & Southern	748	747	723	1,803	1,566
Denver & Rio Grande Western	3,705	2,651	2,534	5,886	4,41[illegible]
Denver & Salt Lake	909	532	504	8	1[illegible]
Fort Worth & Denver City	1,007	1,170	948	970	997
Illinois Terminal	1,753	2,068	1,759	1,718	1,552
Missouri-Illinois	870	1,159	753	507	708
Nevada Northern	2,068	1,988	1,921	131	14[illegible]
North Western Pacific	960	957	576	684	480
Peoria & Pekin Union	27	10	25	0	0
Southern Pacific (Pacific)	26,289	27,252	22,997	12,691	8,678
Toledo, Peoria & Western	268	275	341	1,723	876
Union Pacific System	13,565	14,838	13,380	13,703	10,464
Utah	508	368	383	2	0
Western Pacific	1,961	2,119	1,484	2,831	3,67[illegible]
Total	113,315	115,743	101,323	92,230	71,78[illegible]
Southwestern District—					
Burlington-Rock Island	683	124	153	165	309
Gulf Coast Lines	6,651	4,466	3,152	2,489	2,825
International-Great Northern	3,684	2,388	1,520	3,507	2,670
Kansas, Oklahoma & Gulf	357	357	171	989	1,03[illegible]
Kansas City Southern	4,920	3,464	2,319	2,586	2,52[illegible]
Louisiana & Arkansas	3,934	2,621	2,075	2,382	2,295
Litchfield & Madison	319	325	377	1,005	1,13[illegible]
Midland Valley	654	500	620	271	25[illegible]
Missouri & Arkansas	141	229	139	411	512
Missouri-Kansas-Texas Lines	6,147	4,995	4,127	6,931	4,072
Missouri Pacific	16,723	16,618	15,233	18,563	13,916
Quanah Acme & Pacific	113	109	114	180	211
St. Louis-San Francisco	9,140	8,753	7,753	8,908	7,025
St. Louis Southwestern	3,634	3,407	2,614	6,574	4,440
Texas & New Orleans	*12,860	7,514	7,481	*5,310	4,714
Texas & Pacific	3,872	4,026	3,906	8,206	6,914
Wichita Falls & Southern	85	139	119	36	4[illegible]
Weatherford M. W. & N. W.	27	29	21	92	3[illegible]
Total	73,944	60,064	51,894	68,605	54,963

*Previous week's figures.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1942—Week Ended—					
Dec 5	150,132	130.761	340,203	82	85
Dec. 12	151,085	137,856	350,011	84	85
Dec. 19	136,363	134,383	350,012	85	85
Dec. 26	118,063	113,600	352,854	72	84
1943—Week Ended—					
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

From Washington

(Continued from first page)

ganize the CIO at the behest of the New Deal.

Those anthracite workers who were inspired to think the time had come to challenge his leadership were amazingly chagrined when the Administration took the action it did; threaten, in effect, to order troops into the mines. Undoubtedly they have been asking one another since they went back to work, just what does the Administration want.

But naturally a situation has been created which Lewis has got to remedy, if he is to hold his strong hand over his organization. He has got to perform for them. How should he perform? Manifestly, go out and fight to break the Little Steel formula to get them raises in wages.

When this attempt comes, as it will in the next few weeks, Lewis will be denounced in the press no end, as he has been in the past few weeks for suggesting such a thing. There will be few editors, indeed, who will go behind the handouts and see that it is but part of the New Deal effort to get rid of Lewis when this same New Deal has created the situation itself. Which of course, doesn't have anything to do with the merits of what he will be trying to do at all.

Another thing! The New Deal apparently doesn't know who its labor friends are any more. It seems there are two well defined factions in the United Automobile Workers. Poor old Phil Murray is seemingly but the innocent front of what is going on behind the scenes, and the fact that he is in trouble makes, as I am quite well informed, AFOL Bill Green go along with him on the CIO's professions of unity towards the AFOL and vice versa. Bill used to serve in the miner's union with Phil and he now realizes that Phil is having so much trouble in a disintegrating CIO, that he doesn't want to embarass him by knocking Phil's statements of unity between the two organizations in the head. There are many Federation leaders who think the CIO should be denounced for just what they consider it is.

But getting back to the two CIO factions, or rather the two factions in the automobile workers, one of the two bulwarks of the CIO, the division seems to be between Stalinist and Trotskyite Communists, insofar as the leaders are concerned. This was the division in the Executive Committee on the question of lining up with John L. Lewis. Just which is which, I have not been able definitely to ascertain, although I have some good ideas.

The amazing thing, though, is that the Administration, still seeking to advance the CIO against the AFOL, has been placing these CIO influences in high Government positions.

This has resulted in a swarm of CIO representatives to Washington to watch one another. A few weeks ago Phil Murray announced that there was a great fear this Congress was going to pass anti-labor legislation. Therefore, they were getting their men on the job. These men are now here all over the place. The some 25 of them compare with two men which the AFOL has to watch legislation on Capitol Hill.

Murray was not telling the real reason for the flock of CIO representatives here. The fact is that one faction of the automobile workers sent down a group of men to help the fellows on their side who have been placed in Government, and the other faction matched them. They are here watching one another. Talk about the manpower shortage, too. And the funniest thing in the world is that one of these factions, both of whom are pets of the New Deal, wants to join up with John L.

Items About Banks, Trust Companies

Harry E. Ward, Chairman of the Board of Irving Trust Co. of New York, announced the following official changes on Feb. 18:

Harold G. Brownson, Hugh M. Marsh, Jr., and William E. Petersen promoted to be Assistant Vice-Presidents.

Donald C. Adams, Lester L. Allen, Harry S. Bayer, George W. Dietz, C. Gordon Lynn and Edward J. Veitch appointed Assistant Secretaries.

Manufacturers Trust Co. of New York on Feb. 17 drew by lot 14,595 shares of convertible preferred stock for redemption on March 25, 1943, at $51 per share, plus the accumulated dividend of 39 cents per share from Jan. 16 to the date of redemption. Notice of the redemption has been mailed to those whose shares have been selected and copies of the certificate numbers for the shares drawn are available at the office of the company.

The Bank of Montreal announces the appointment of R. J. Williams and L. W. Townsend as Assistant General Managers. Mr. Williams has been Manager of the bank's chief branch in Montreal for the past seven years and will continue in that position in addition to his new duties. Mr. Townsend had been Manager of the bank's staff department since 1933.

The net profits of the Westminster Bank Limited (head office, London) for the past year were £1,237,585 and exceeds 1941 profits by about £47,000. R. E. Beckett, Chairman of the bank, said that this result has been due to the expansion in the institution's deposits which, on Dec. 31, 1942, totaled £501,504,528, a rise of about £31,000,000 during the year. Added to the profits earned is the sum brought forward from the previous year, £563,863, making a total available of £1,801,448. The interim dividends of 9% on the £4 shares and 6¼% on the £1 shares, paid last August, absorbs £388,481, and these same dividends are now declared, bringing this total to £776,962. The directors also appropriated £200,000 to the bank premises reinstatement and rebuilding account and £300,000 to the officers' pension fund, leaving a balance to be carried forward to the next account of £524,486.

Too Rapid Enlargement Of Social Security May Injure Entire Movement, Says Pink

Plans of Secretary of Labor Perkins shortly to make known "a comprehensive plan for the extension of social security, similar to that proposed for Great Britain," were referred to in an address by Louis H. Pink, President of the Associated Hospital Service of New York in an address before Kings County Medical Society on Feb. 16. Incidentally, Mr. Pink, who was formerly Superintendent of Insurance of New York State, observes that "Sir William Beveridge, whose report has aroused interest not only in Britain and the United States, but all over the world, is said to have been in close consultation with those working on the plan in this country." Mr. Pink in his remarks points out that "although compulsory social insurance as outlined by Miss Perkins, leaves out for the time being, medical care, one of the most important features of any social plan, it will cost approximately 10% of the payrolls. Medical insurance may be deferred but is undoubtedly very much in the minds of the authorities." He further states:

"In applying the British plan to the United States, consideration must be given to the differences which exist in wage scales in the two countries; to the sincere attachment of our people to the preservation of reasonable political power and authority in the States and local communities; and to their desire to voluntarily provide for themselves and their families. The development and acceptance of all types of insurance as a means for achieving social security have come gradually: there has been a process of trial and error; one step has led to another.

"No forward-looking person objects to the gradual extension of social insurance if properly integrated with local and private efforts. But Europe had various forms of social insurance more than a quarter of a century before we started here, and we cannot make up for lost time, or even surpass Europe, as some suggest, in a very short period. Any comprehensive extension must be based on past experience, sound principles, and adequate financial safeguards.

"While we have always had some class distinctions in this country, we profess that we have none. To our great credit, it has always been possible for a person in the lower economic brackets to rise by his own energy and ability to a higher economic level. There is no social distinction here such as existed in Britain before the war. This democratic social attitude and the opportunity for individual initiative should not be discouraged.

"While Sir William calls his proposal a "British Revolution," it does not seem to be a revolution at all in so far as Great Britain is concerned. It is merely an extension of what already exists. Because of our higher standards of living, anything done here will have to priced much higher. . . .

"While the immediate plans of the Federal Administration apparently exclude medical care, hospitalization, which is so intimately connected with it, is included in many of the plans. This is undoubtedly due in part to the fact that hospitalizatioin insurance is so much easier to administer, and that so much experimental work has already been accomplished by the voluntary non-profit hospitalization plans and the insurance companies. These non-profit plans have developed in a brief period of about 10 years, and now provide hospital care by prepayment in small amounts for more than 10,000,000 people. In addition, the group and commercial insurance companies provide hospital coverage to some 5,000,000 people. The present rate of growth of the non-profit plans alone is running at the rate of approximately 2,000,000 persons a year. This development is only the beginning, and so far has been confined largely to employed groups. Such voluntary methods of prepaid hospital insurance can and should be extended to groups not now included, and to individuals who cannot belong to groups. . . .

"While hospitalization is one of the first things contemplated in the proposed extensions in the United States, it is one of the last things in the Beveridge Plan. . . .

"Important as is the extension of social insurance, it should be gradual, and we should always try to put first things first. Before we provide new benefits, the base for the present benefits should be broadened to include these persons not now covered, such as individually employed persons, employees of non-profit organizations, farm and domestic employees. It is equally important that we raise living standards by providing better housing and employment conditions, which will tend to improve health standards and reduce the amount of hospital and medical care required.

"The rapid enlargement of social security benefits contemplated may fail and injure the entire movement, if they are based on a war economy. War babies seldom endure. Sir William wisely makes it clear that he is planning for peace. Any extension that we make must fit into a peace economy, for global wars seldom occur, and if there is proper planning for a just and workable peace, no major war should ever come again.

"A 10% levy on payrolls is a very real burden. It cannot be imposed above existing high taxes and the still higher taxes yet to come, unless the earning capacity is able to carry it in the years to come. After the war there will still be a huge tax burden, and even under the most optimistic views, with upwards of 10,000,000 young men and women seeking new jobs, there must come a considerable dislocation of our economic system. We should buy now only as much additional social security as we can continue to pay for after the war without seriously reducing living standards. . . .

"Increasing the number of persons covered and the amount of benefits, provided such broadening is based upon long term ability to pay, need not be postponed until after the war. But, standing alone, increased insurance coverage cannot provide freedom from want. Security must be based first of all upon a different kind of world. The nations must cooperate with each other so that economic benefits will be available to all and trade may flow freely. The standard of living must be increased, not only in one or two nations but generally throughout the world. We must, through encouragement and stimulation of private initiative and worthwhile public enterprises, see to it that people are fully employed in productive effort. If these two objectives are not accomplished, it is idle to talk about any considerable extension of social security as a permanent plan. . . .

"Social insurance cannot create wealth, it can only distribute it more equitably. Any politician can propose a plan for extending social security, but only a statesman can erect it upon the base of full employment and international economic cooperation. We should increase our social security benefits and extend them as rapidly as we can, but there is danger that if we get this intricate machine speending too rapidly and have not sufficient oil, we may burn out the bearings."

Newsprint Production Declined 25% In January

Total North American production of newsprint for January amounted to 316,961 tons, compared with 425,154 tons in January, 1942, a decrease of 25.4%, the News Print Service Bureau reports. January production in Canada totaled 233,544 tons, a decline of 25.1%; United States output at 69,792 tons down 17.5%, and the Newfoundland total of 13,625 tons, down 52.4%.

Canadian shipments in January totaled 215,016 tons and United States shipments amounted to 69,691 tons.

Stocks of newsprint at the end of January totaled 110,514 tons at Canadian mills and 9,702 tons at United States mills, making a combined total of 120,216 tons. This compared with 101,587 tons on Dec. 31, 1942, and 154,904 tons at the end of January, 1942.

Controllers Favor Pay-As-You-Go Plan

Endorsing a pay-as-you-go basis for all Federal taxation of individuals "without discrimination and without requiring the payment of more than one year's taxes in a single year," the Controllers Institute of America on Feb. 11 adopted a statement of policy on the subject and conveyed it to Chairman Robert L. Doughton of the House Ways and Means Committee.

The statement of policy, which was adopted by the Institute's Board of Directors after preparation by a special committee appointed for that purpose by T. C. McCobb, President of the organization and Controller of the Standard Oil Co. (New Jersey), stresses the protection which a pay-as-you-go taxation policy will provide against defaults. The declaration reads as follows: "The Controllers Institute of America is aware of the effect on individuals of the much higher income tax rates now prevailing, the much lower base for taxpayers and the difficulties which are present in connection with the prompt payment and collection of such taxes.

"The Institute heretofore has confined its suggestions within the field of corporate taxation. However, because of the importance of the pay-as-you-go principle to the economy of the nation in the collection of the maximum revenues possible; its importance to the individual taxpayer now, as well as in the readjustment period following the declaration of peace; and because of the protection it affords to the internal revenue system from the demoralizing effect of widespread defaults in tax payments, the Institute feels warranted in departing from its customary policy and declaring its support of the proposition that all Federal taxes upon individuals be placed on the pay-as-you-go basis without discrimination and without requiring the payment of more than one year's taxes in a single year.

"The Institute is of the opinion that the principle can be adopted without creating windfall benefits and without substantial loss of revenue."

Arthur R. Tucker, Managing Director of the Institute, said that the organization's Tax Committee is supplying the technical staff of the Joint Committee on Internal Revenue Taxation with data regarding the practicability of withholding, based on questionnaires submitted to the members of the Institute.

Mortgage Bankers To Meet In Chicago

H. H. Thomas, British consul in Chicago; Louis Wirth of the University of Chicago and Regional Chairman, National Resources Planning Board; Dr. Gustav Stolper, New York, economist and former member of the German Reichstag; John B. Blandford, Jr., Administrator, National Housing Agency; and Abner H. Ferguson, FHA Commissioner, will be among the principal speakers at the second 1943 "War and Post War Clinic," sponsored by the Mortgage Bankers Association of America, to be held in Chicago Feb. 26 and 27, at the Drake Hotel, it is announced.

Other speakers will be Charles A. Mullenix, Cleveland, President of the Association; Lorin A. Torrey, Ernst & Ernst, Chicago; Arthur F. Schubert, Illinois Association of Certified Real Estate Appraisers, Chicago; and Stephen G. Cohn, Dovenmuehle, Inc., Chicago.

Mortgage problems including rent control, portfolio "raiding," the Soldiers' and Sailors' Act and advertising will be reviewed in two panel discussions. Speaking at these sessions will be N. E. Wolfsohn, President, Eastern Mortgage Service Co., Philadelphia; W. E. Miller, Vice-President, A. D. Fraser, Inc., Cleveland; Roland A. Benge, Vice-President, the Detroit Bank; Carl Q. Harris, Executive Vice-President, Laclede Bond & Mortgage Co., St. Louis; and John H. Sehrt, A. C. Sehrt Co., Milwaukee.

The meeting is being sponsored in cooperation with the Association's affiliated chapters in Chicago, Cleveland, Detroit, St. Louis and Milwaukee and 11 other Central West cities. Around 400 mortgage and commercial bankers, life insurance and title and trust company executives, real estate men and government agency officials are expected to attend.

Mr. Ferguson will speak on FHA's 1943 war housing program and Mr. Mullenix will address the group on mortgage problems created by war conditions. Mr. Torrey will speak on Federal taxation and Mr. Schubert on the results of a survey undertaken to show what sort of rental units mortgage bankers and real estate men can build and finance in the post war era and what rentals must be charged to show an adequate investment return.

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